

draft work in process does
not reflect final opinion or fact
determination

Dan Cincelli 6-1-75
Robin Hunter

discussed

what needed

- ERFF Flex must dies
- Monthly P&L Data '96 & '97 or access
- CUS of friend reports '96 '97 All duty earnings
- Revenues at '96 & '97 by Payer & run cost
- Monthly Volume Stats
 - Census, Claims, Discharge, 2x Lr Care, C.P.
 - Procedures E.R.

R

Dan Cincelli

at Rx & HMR

- Provided access to ERFF - Flex must document asked that we not buy it, but could get it from his (as) he needed to also provide a summary memo

With DM we discussed

- Access to needed data
- Company revenue methodologies
 - DM indicated Bill was known to all earnings but in fact it was his idea
 - Upon further inquiry ^{to Dan} Bill indicated he did not have direct discussions w/ bill on the movement of revenues but instead pointed to negative factors such as "how could he not know" giving the H 50% issue.

CL 147611

draft work in process does
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Dr. Conrad. 10-1-48, cont.
Rory Shetter

- Also Dr. Conrad knew not how
the CBL analysis did not do the
\$50M Bad Debt Account and
concluded doing was OK w/o it.

- Asked Dr. Conrad his thoughts re the risk, he
indicated it was "Technically Unsound".

Per Rory Shetter w/ RSC & H.M.H.

- Reviewed Request List

= Indicated we should seek

i. Greg Smith - Bureau officer re regarding
\$80M charge db (20 Oct, 20 Dec,
20 Jan & 20 Apr)

- Noted \$80 was a bad debt

71

50 - 25 Mar } Bureau - Many letters w/o
25 Apr } Bureau because of state of state time

21561 A/E to Bureau re: from, some other comments
to = re: re: 10/10/97
Advised in 1997 was also w/o as part of AR

71

71

Rory

- Advised 1996 was 100% due
to system conversions

ii Bob Mazzilli Jr or of ILS Exp May

28 Rory indicated re \$80M was re income from

99. A/E to Bureau. "Don't think CBL knew about the \$80M

CL 147612

draft work in process does
not reflect final opinion or fact
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Dan Cullen: 9-2-95 W/ R. H. M. AF

Discuss 99 AR < 71 to cover same needs in 1997
28 AR change in 1997, Dan CO-...
to monitor "from return a ...
Response"
SIB RBL

Dan indicates that 80 AR was LIO in 97 relative
to the 1997 AR accounts. Here he indicates a
PD case was warranted because to return in 97,
97 #'s would not look right.

Who's were in to methodology changes
in lifebook follow-up
mixed structure follow-up
system conversions
Company's election to clean
Res. it is collection

} Per
Dan

PWL (R. H. M.) indicated that '96 AR was indicating an
error occurred and Company would need to Super-
Nose assertions with internal evidence that
this error is something other than a change in
estimates.

Dan also noted that the Graduate errors would be
viewed as the acquisition intangible or Graduate
would be recorded.

CL 147613

EXHIBIT 1075

AHERF
06/30/96

Working Paper Name: MCPH (East Falls) Inpatient Bad Debt Analysis 6/30/96 Using
HUH Methodology
Working Paper Reference: 0053-152
Working Paper Type [I]: OLE

Medical College Of Pennsylvania- East Falls
INPATIENT BAD DEBT RESERVE CALCULATION
06/30/96

PBC

Completed

Completed By: Brian W. Christian **Date:** 09/19/96 10:09:34 AM
Last Modified By: Mark D. Kirstein **Date:** 10/03/96 12:34:46 AM

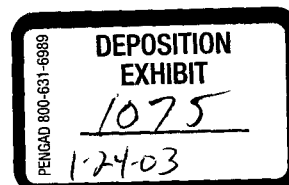
Reviewed

Mark D. Kirstein

Mark for Deletion

Modification History:

Brian W. Christian



CL 001180

Method: Discharge Date Methodology
 Required Reserve Calculation Date:
 05/30/06

Note: The reserve calculation below is based on the aged by final billed date methodology

CLASS	TOTAL	INHOUSE & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365+
		(1) * (2) =									
2 BLUE CROSS- OUT OF STATE	1,692	0	0	0	0	0	0	0	0	0	1,692
3 NO FAULT	496,467	0	0	(483)	15,689	19,386	8,646	21,473	26,068	40,529	365,160
5 HEALTH PARTNERS	487,395	0	0	13,441	14,275	15,140	767	7,706	215	46,711	389,140
6 OTHER HMO	98,706	0	0	2,036	5,617	(188)	4,512	0	0	3,850	82,878
7 MCP CARE/HUH SELECT	24,272	0	0	78	1,540	1,181	10,010	1,320	7,325	3,525	(707)
8 MANAGED MA	854,196	96,849	110,519	93,648	31,988	61,364	20,476	28,978	29,405	57,176	323,795
A MA APPLICATION- SELF	1,378,444	1,348,559	4,487	16,848	184	368	368	179	2,347	4,567	537
B BLUE CROSS	69,472	0	0	0	0	0	12,830	9,202	9,034	9,981	28,426
C COMMERCIAL	244,523	36,071	66,447	62,814	37,705	5,921	7,413	869	264	898	26,120
D HMO CAPITATION	13,960	0	0	0	0	0	0	0	0	4,237	9,724
E KEYSTONE EAST HMO	315,267	0	0	31,443	56,937	25,107	29,529	12,015	25,488	32,086	102,662
F PATIENT CONTRACTS- SELF	155,144	0	0	0	1,088	90	3,412	8,246	6,081	22,979	113,249
G SELF PAY- after insurance	220,756	0	0	(39,125)	2,068	22,571	37,100	13,041	25,900	59,641	99,558
H HMO REGULAR	596,263	0	0	29,028	23,862	14,835	79,360	64,568	38,666	9,873	336,070
I SELF PAY- after MC	95,561	0	5,458	10,008	8,276	7,129	20,420	9,450	5,425	28,872	523
M MEDICARE	79,640	0	0	0	0	0	13,056	15,447	1,620	27,075	22,442
P MEDICAID	904,610	0	99,963	101,924	30,912	33,563	94,773	46,815	29,229	179,931	287,501
S SELF PAY	865,738	152,256	74,620	35,378	59,787	94,903	102,207	17,203	37,619	275,439	16,326
T MEDICAID- OUT OF STATE	29,513	0	9,896	0	1,594	231	2,104	349	1,299	6,238	7,802
V SELF PAY- after BC	39,118	0	34,892	5,766	7,152	3,226	16,408	904	1,004	(21,086)	(9,147)
W WORKERS COMP	431,899	32,962	65,406	120,773	39,480	13,942	20,929	16,706	1,700	57,104	62,897
Y MA APPLICATION- SELF	1,103,595	22,589	380,718	187,245	103,440	93,155	272,105	0	0	42,175	2,169
Z CHARITY CARE	0	0	0	0	0	0	0	0	0	0	0
	8,506,230	1,689,286	852,405	670,822	441,592	411,924	756,425	274,470	248,689	891,801	2,268,816

Note: The reserve calculation below is based on the aged by discharge date methodology.

CLASS	TOTAL	INHOUSE & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
		(3) * (2) =									
2 BLUE CROSS- OUT OF STATE	1,692	0	0	0	0	0	0	0	0	0	1,692
3 NO FAULT	496,467	0	0	(483)	15,689	19,386	8,646	21,473	26,068	40,529	365,160
5 HEALTH PARTNERS	487,395	0	0	13,441	14,275	15,140	767	7,706	215	46,711	389,140
6 OTHER HMO	98,706	0	0	2,036	5,617	(188)	4,512	0	0	3,850	82,878
7 MCP CARE/HUH SELECT	24,272	0	0	78	1,540	1,181	10,010	1,320	7,325	3,525	(707)
8 MANAGED MA	854,196	96,849	110,519	93,648	31,988	61,364	20,476	28,978	29,405	57,176	323,795
A MA APPLICATION- SELF	1,378,444	1,348,559	4,487	16,848	184	368	368	179	2,347	4,567	537
B BLUE CROSS	69,472	0	0	0	0	0	12,830	9,202	9,034	9,981	28,426
C COMMERCIAL	244,523	36,071	66,447	62,814	37,705	5,921	7,413	869	264	898	26,120
D HMO CAPITATION	13,960	0	0	0	0	0	0	0	0	4,237	9,724
E KEYSTONE EAST HMO	315,267	0	0	31,443	56,937	25,107	29,529	12,015	25,488	32,086	102,662
F PATIENT CONTRACTS- SELF	155,144	0	0	0	1,088	90	3,412	8,246	6,081	22,979	113,249
G SELF PAY- after insurance	220,756	0	0	(39,125)	2,068	22,571	37,100	13,041	25,900	59,641	99,558
H HMO REGULAR	596,263	0	0	29,028	23,862	14,835	79,360	64,568	38,666	9,873	336,070
I SELF PAY- after MC	95,561	0	5,458	10,008	8,276	7,129	20,420	9,450	5,425	28,872	523
M MEDICARE	79,640	0	0	0	0	0	13,056	15,447	1,620	27,075	22,442
P MEDICAID	904,610	0	99,963	101,924	30,912	33,563	94,773	46,815	29,229	179,931	287,501
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W WORKERS COMP	431,899	32,962	65,406	120,773	39,480	13,942	20,929	16,706	1,700	57,104	62,897
Y MA APPLICATION- SELF	1,103,595	22,589	380,718	187,245	103,440	93,155	272,105	0	0	42,175	2,169
Z CHARITY CARE	0	0	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE	8,506,230	1,689,286	852,405	670,822	441,592	411,924	756,425	274,470	248,689	891,801	2,268,816

Reserve difference due to change in historic aging methodology:

Reserve using final billed aging 8,506,230
 Reserve using discharge date 8,506,230

Difference 0

CL 001181

Medical College of Pennsylvania-East P.S.
ACCOUNTS RECEIVABLE AGING - INPATIENT
June 30, 1996

AGED FROM FINAL BILL DATE

CLASS	TOTAL	IH & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365+
(1)											
2 BLUE CROSS- OUT OF STATE	16,918	0	0	0	0	0	0	0	0	0	16,918
3 NO FAULT	1,188,829	30,746	223,491	(9,658)	156,893	129,237	34,583	71,578	65,169	81,057	405,733
5 HEALTH PARTNERS	2,527,428	610,030	843,720	268,819	142,753	100,930	3,834	30,826	716	93,423	432,377
6 OTHER HMO	292,585	9,551	65,050	40,720	56,165	(1,250)	22,562	0	0	7,700	92,087
7 MCP CARE/HUH SELECT	943,181	766,497	82,843	1,550	15,400	7,874	40,041	4,400	18,313	7,050	(786)
8 MANAGED MA	2,009,542	387,396	442,075	374,592	127,950	122,728	40,951	38,637	39,206	76,235	359,772
A MA APPLICATION- SELF	2,816,657	2,697,118	17,947	67,390	736	1,472	1,472	716	9,388	18,269	2,148
B BLUE CROSS	4,141,335	927,769	989,520	438,919	389,111	290,830	256,597	184,037	180,681	199,613	284,258
C COMMERCIAL	2,179,419	360,712	664,468	628,142	377,049	39,477	49,423	4,344	1,321	2,245	52,240
D HMO CAPITATION	19,277	0	0	0	0	0	0	0	0	8,473	10,804
E KEYSTONE EAST HMO	3,428,487	964,263	698,488	628,862	569,368	167,379	118,116	40,049	63,721	64,172	114,069
F PATIENT CONTRACTS- SELF	164,999	0	0	0	1,813	150	4,875	11,780	7,601	25,532	113,249
G SELF PAY- after insurance	232,648	0	0	(78,249)	3,446	37,619	53,001	18,630	32,375	66,268	99,558
H HMO REGULAR	4,311,949	959,541	1,411,838	580,560	238,620	98,901	317,439	215,228	96,666	19,745	373,412
I SELF PAY- after MC	138,663	0	10,916	20,016	13,794	11,881	29,171	13,500	6,781	32,080	523
M MEDICARE	11,157,562	5,165,434	2,974,029	869,456	544,455	235,813	261,115	308,945	32,392	541,499	224,425
P MEDICAID	6,574,701	789,459	999,627	1,019,236	309,116	335,627	947,727	187,261	116,917	719,725	1,150,005
S SELF PAY	1,322,304	304,513	149,240	70,756	99,645	158,172	146,011	24,575	47,024	306,043	16,326
T MEDICAID- OUT OF STATE	201,006	0	98,958	0	15,942	2,313	21,041	1,394	5,196	24,952	31,209
V SELF PAY- after BC	92,023	0	69,785	11,532	11,920	5,376	23,440	1,291	1,255	(23,429)	(9,147)
W WORKERS COMP	709,553	65,923	130,812	241,547	65,799	23,237	29,898	23,865	2,125	63,449	62,897
Y MA APPLICATION- SELF	4,369,204	45,177	1,522,872	748,981	413,758	372,619	1,088,421	0	0	168,700	8,676
Z CHARITY CARE	58,427	0	0	28,592	0	0	0	16,091	13,744	0	0
TOTAL	48,896,697	14,084,128	11,395,679	5,951,763	3,553,733	2,140,385	3,489,717	1,197,146	740,592	2,502,802	3,840,751

(1) Amounts were traced into the Invision system generated report.

AGED BY DISCHARGE DATE

CLASS	TOTAL	IH & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
(3)											
2 BLUE CROSS- OUT OF STATE	16,918	0	0	0	0	0	0	0	0	0	16,918
3 NO FAULT	1,188,829	30,746	223,491	(9,658)	156,893	129,237	34,583	71,578	65,169	81,057	405,733
5 HEALTH PARTNERS	2,527,428	610,030	843,720	268,819	142,753	100,930	3,834	30,826	716	93,423	432,377
6 OTHER HMO	292,585	9,551	65,050	40,720	56,165	(1,250)	22,562	0	0	7,700	92,087
7 MCP CARE/HUH SELECT	943,181	766,497	82,843	1,550	15,400	7,874	40,041	4,400	18,313	7,050	(786)
8 MANAGED MA	2,009,542	387,396	442,075	374,592	127,950	122,728	40,951	38,637	39,206	76,235	359,772
A MA APPLICATION- SELF	2,816,657	2,697,118	17,947	67,390	736	1,472	1,472	716	9,388	18,269	2,148
B BLUE CROSS	4,141,335	927,769	989,520	438,919	389,111	290,830	256,597	184,037	180,681	199,613	284,258
C COMMERCIAL	2,179,419	360,712	664,468	628,142	377,049	39,477	49,423	4,344	1,321	2,245	52,240
D HMO CAPITATION	19,277	0	0	0	0	0	0	0	0	8,473	10,804
E KEYSTONE EAST HMO	3,428,487	964,263	698,488	628,862	569,368	167,379	118,116	40,049	63,721	64,172	114,069
F PATIENT CONTRACTS- SELF	164,999	0	0	0	1,813	150	4,875	11,780	7,601	25,532	113,249
G SELF PAY- after insurance	232,648	0	0	(78,249)	3,446	37,619	53,001	18,630	32,375	66,268	99,558
H HMO REGULAR	4,311,949	959,541	1,411,838	580,560	238,620	98,901	317,439	215,228	96,666	19,745	373,412
I SELF PAY- after MC	138,663	0	10,916	20,016	13,794	11,881	29,171	13,500	6,781	32,080	523
M MEDICARE	11,157,562	5,165,434	2,974,029	869,456	544,455	235,813	261,115	308,945	32,392	541,499	224,425
P MEDICAID	6,574,701	789,459	999,627	1,019,236	309,116	335,627	947,727	187,261	116,917	719,725	1,150,005
S SELF PAY	1,322,304	304,513	149,240	70,756	99,645	158,172	146,011	24,575	47,024	306,043	16,326
T MEDICAID- OUT OF STATE	201,006	0	98,958	0	15,942	2,313	21,041	1,394	5,196	24,952	31,209
V SELF PAY- after BC	92,023	0	69,785	11,532	11,920	5,376	23,440	1,291	1,255	(23,429)	(9,147)
W WORKERS COMP	709,553	65,923	130,812	241,547	65,799	23,237	29,898	23,865	2,125	63,449	62,897
Y MA APPLICATION- SELF	4,369,204	45,177	1,522,872	748,981	413,758	372,619	1,088,421	0	0	168,700	8,676
Z CHARITY CARE	58,427	0	0	28,592	0	0	0	16,091	13,744	0	0
TOTAL	48,896,697	14,084,128	11,395,679	5,951,763	3,553,733	2,140,385	3,489,717	1,197,146	740,592	2,502,802	3,840,751

(3)- C&L obtained amounts from the Invision system generated agings.

CL 001182

Medical College Of Pennsylvania - East Falls
INPATIENT BAD DEBT RESERVE PERCENTAGES

CLASS	INHOUSE & DNFB	0-30/ FINAL BILLS	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
(2)										
2 BLUE CROSS- OUT OF STATE	0%	0%	0%	0%	0%	5%	5%	5%	5%	10%
3 NO FAULT	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
5 HEALTH PARTNERS	0%	0%	5%	10%	15%	20%	25%	30%	50%	90%
6 OTHER HMO	0%	0%	5%	10%	15%	20%	25%	30%	50%	90%
7 MCP CARE/HUH SELECT	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
8 MANAGED MA	25%	25%	25%	25%	50%	50%	75%	75%	75%	90%
A MA APPLICATION- SELF	50%	25%	25%	25%	25%	25%	25%	25%	25%	25%
B BLUE CROSS	0%	0%	0%	0%	5%	5%	5%	5%	5%	10%
C COMMERCIAL	10%	10%	10%	10%	15%	15%	20%	20%	40%	50%
D HMO CAPITATION	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
E KEYSTONE EAST HMO	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
F PATIENT CONTRACTS- SELF	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
G SELF PAY- after insurance	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
H HMO REGULAR	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
I SELF PAY- after MC	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
M MEDICARE	0%	0%	0%	0%	0%	5%	5%	5%	5%	10%
P MEDICAID	0%	10%	10%	10%	10%	10%	25%	25%	25%	25%
S SELF PAY	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
T MEDICAID- OUT OF STATE	0%	10%	10%	10%	10%	10%	25%	25%	25%	25%
V SELF PAY- after BC	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
W WORKERS COMP	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
Y MA APPLICATION- SELF	50%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Z CHARITY CARE	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CL 001183

AHERF
06/30/96

Working Paper Name: MCPH (East Falls) Outpatient Bad Debt Analysis 6/30/96
Using HUH Methodology
Working Paper Reference: ...0053-153
Working Paper Type [I]: OLE

Medical College of Pennsylvania- East Falls
OUTPATIENT BAD DEBT RESERVE CALCULATION
06/30/96

PBC

Completed

Completed By: Brian W. Christian **Date:** 09/19/96 10:09:34 AM
Last Modified By: Mark D. Kirstein **Date:** 10/03/96 12:34:46 AM

Reviewed	Mark D. Kirstein
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Mark for Deletion

Modification History:

Brian W. Christian

CL 001184

Medical Claims of PBC
 Current Estimated Debt Reserve Calculation
 06/30/06

Note: The reserve calculation below is based on the aged by final billed date methodology.

CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
		(1)*(2)*(4)=								
2 BLUE CROSS- OUT OF STATE	79	9	8	0	0	23	0	0	39	0
3 NO FAULT	120,495	3,395	2,446	4,001	3,105	3,101	4,429	3,571	33,223	63,225
4 MOTHER INFANT CARE	44,029	0	242	0	0	0	270	567	4,770	38,180
5 HEALTH PARTNERS	1,178,531	92,623	66,845	65,525	38,300	27,400	21,819	20,219	155,415	690,385
6 OTHER HMO	69,090	0	0	0	1,613	2,404	1,260	3,921	8,203	51,689
7 MCP CARE/HUH SELECT	111,549	16,024	13,451	14,213	4,423	4,404	2,461	5,069	10,950	40,555
8 MANAGED MA	924,785	46,414	45,281	52,733	28,602	23,709	9,442	19,069	40,248	659,286
A MA APPLICATION- SELF	3,208	1,014	461	106	311	133	87	61	611	424
B BLUE CROSS	232,270	27,538	24,939	23,425	17,017	17,969	8,737	7,563	35,477	69,605
C COMMERCIAL	621,639	15,579	12,226	16,738	19,101	19,684	27,839	39,903	145,890	324,680
D HMO CAPITATION	61,292	2,904	2,476	1,876	13,311	6,638	3,537	13,991	26,757	(10,199)
E KEYSTONE EAST HMO	539,773	68,053	53,997	28,290	25,332	42,250	27,314	34,832	97,307	162,398
F PATIENT CONTRACTS- SELF	374	0	0	0	16	24	0	(0)	215	118
G SELF PAY- after insurance	84,002	0	0	0	5,229	10,830	9,034	5,009	43,465	10,435
H HMO REGULAR	211,915	0	0	0	40,264	37,827	16,632	27,246	39,965	49,981
I SELF PAY- after MC	36,015	3,109	5,396	3,286	2,701	2,164	817	794	4,410	13,338
L HILL BURTON	437	95	0	0	0	0	0	0	0	342
M MEDICARE	2,396,813	595,873	430,923	136,513	107,605	143,129	57,024	94,719	307,721	523,307
P MEDICAID	1,339,396	149,082	75,849	41,041	42,284	37,922	33,610	52,694	575,834	331,080
R MA REJECTION	0	0	0	0	0	0	0	0	0	0
S SELF PAY	802,632	68,413	66,174	88,600	83,712	46,234	48,330	31,124	119,821	250,224
T MEDICAID- OUT OF STATE	19,198	1,197	1,508	296	703	699	165	1,605	6,126	6,900
V SELF PAY- after BC	85,988	1,888	3,030	5,910	3,860	7,196	5,721	13,196	12,045	33,141
W WORKERS COMP	70,585	0	0	0	8,069	4,212	5,345	2,133	10,349	40,477
Y MA APPLICATION- SELF	0	0	0	0	0	0	0	0	0	0
Z CHARITY CARE	9,618	0	0	725	284	0	0	0	7,890	720
Total Reserve	8,963,712	1,093,210	805,251	483,276	445,843	437,955	283,873	377,284	1,686,731	3,350,289

Note: The reserve calculation below is based on the aged by discharge date methodology.

CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
		(3)*(2)*(4)=								
2 BLUE CROSS- OUT OF STATE	79	9	8	0	0	23	0	0	39	0
3 NO FAULT	120,495	3,395	2,446	4,001	3,105	3,101	4,429	3,571	33,223	63,225
4 MOTHER INFANT CARE	44,029	0	242	0	0	0	270	567	4,770	38,180
5 HEALTH PARTNERS	1,178,531	92,623	66,845	65,525	38,300	27,400	21,819	20,219	155,415	690,385
6 OTHER HMO	69,090	0	0	0	1,613	2,404	1,260	3,921	8,203	51,689
7 MCP CARE/HUH SELECT	111,549	16,024	13,451	14,213	4,423	4,404	2,461	5,069	10,950	40,555
8 MANAGED MA	924,785	46,414	45,281	52,733	28,602	23,709	9,442	19,069	40,248	659,286
A MA APPLICATION- SELF	3,208	1,014	461	106	311	133	87	61	611	424
B BLUE CROSS	232,270	27,538	24,939	23,425	17,017	17,969	8,737	7,563	35,477	69,605
C COMMERCIAL	621,639	15,579	12,226	16,738	19,101	19,684	27,839	39,903	145,890	324,680
D HMO CAPITATION	61,292	2,904	2,476	1,876	13,311	6,638	3,537	13,991	26,757	(10,199)
E KEYSTONE EAST HMO	539,773	68,053	53,997	28,290	25,332	42,250	27,314	34,832	97,307	162,398
F PATIENT CONTRACTS- SELF	374	0	0	0	16	24	0	(0)	215	118
G SELF PAY- after insurance	84,002	0	0	0	5,229	10,830	9,034	5,009	43,465	10,435
H HMO REGULAR	211,915	0	0	0	40,264	37,827	16,632	27,246	39,965	49,981
I SELF PAY- after MC	36,015	3,109	5,396	3,286	2,701	2,164	817	794	4,410	13,338
L HILL BURTON	437	95	0	0	0	0	0	0	0	342
M MEDICARE	2,396,813	595,873	430,923	136,513	107,605	143,129	57,024	94,719	307,721	523,307
P MEDICAID	1,339,396	149,082	75,849	41,041	42,284	37,922	33,610	52,694	575,834	331,080
R MA REJECTION	0	0	0	0	0	0	0	0	0	0
S SELF PAY	802,632	68,413	66,174	88,600	83,712	46,234	48,330	31,124	119,821	250,224
T MEDICAID- OUT OF STATE	19,198	1,197	1,508	296	703	699	165	1,605	6,126	6,900
V SELF PAY- after BC	85,988	1,888	3,030	5,910	3,860	7,196	5,721	13,196	12,045	33,141
W WORKERS COMP	70,585	0	0	0	8,069	4,212	5,345	2,133	10,349	40,477
Y MA APPLICATION- SELF	0	0	0	0	0	0	0	0	0	0
Z CHARITY CARE	9,618	0	0	725	284	0	0	0	7,890	720
Total Reserve	8,963,712	1,093,210	805,251	483,276	445,843	437,955	283,873	377,284	1,686,731	3,350,289

Reserve difference due to change in historic aging methodology:

Reserve using final billed aging 8,963,712
 Reserve using discharge date 8,963,712

Difference 0

CL 001185

Medical College of Pennsylvania and Eastern
 ACCOUNTS RECEIVABLE AGING - OUTPATIENT Net
 June 30, 1996

AGED FROM FINAL BILL DATE

CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
	(1)*(2)									
2 BLUE CROSS- OUT OF STATE	1,575	188	150	0	0	456	0	0	780	0
3 NO FAULT	326,906	67,893	48,916	40,008	20,699	15,506	11,072	5,101	47,461	70,249
4 MOTHER INFANT CARE	50,104	0	1,212	0	0	0	540	630	5,300	42,422
5 HEALTH PARTNERS	3,350,046	463,117	334,227	327,624	191,501	109,600	87,274	67,395	388,538	1,380,770
6 OTHER HMO	311,170	9,409	14,334	11,068	6,450	9,618	5,039	15,683	32,811	206,758
7 MCP CARE/HUH SELECT	393,392	80,118	67,255	71,063	22,113	17,617	9,846	16,895	27,376	81,110
8 MANAGED MA	1,767,598	232,070	226,405	210,933	114,409	94,837	37,769	38,138	80,497	732,540
A MA APPLICATION- SELF	64,152	20,275	9,230	2,112	6,228	2,657	1,745	1,220	12,210	8,475
B BLUE CROSS	3,949,346	550,753	498,772	468,499	340,338	359,388	174,741	151,264	709,541	696,049
C COMMERCIAL	1,645,007	311,582	244,519	167,377	127,337	98,422	69,597	57,004	208,415	360,755
D HMO CAPITATION	78,985	5,809	4,952	3,752	17,748	8,850	3,930	15,545	29,730	(11,332)
E KEYSTONE EAST HMO	1,840,787	340,265	269,983	141,452	126,660	169,000	109,257	116,108	243,267	324,795
F PATIENT CONTRACTS- SELF	19,140	7,732	3,098	2,019	327	487	8	(7)	4,295	1,181
G SELF PAY- after insurance	493,374	37,670	86,723	32,972	20,918	43,320	36,136	20,038	173,860	41,738
H HMO REGULAR	1,731,531	405,787	254,952	223,131	161,058	151,309	66,529	108,984	159,861	199,922
I SELF PAY- after MC	78,585	12,437	21,583	13,145	5,401	4,327	1,090	882	4,900	14,820
L HILL BURTON	1,158	473	0	0	0	0	0	0	0	684
M MEDICARE	4,043,028	1,191,747	861,846	273,025	215,211	190,839	76,032	126,292	410,294	697,742
P MEDICAID	3,369,008	745,411	379,244	164,164	169,137	151,689	134,440	105,388	1,151,669	367,866
R MA REJECTION	0	0	0	0	0	0	0	0	0	0
S SELF PAY	2,439,462	342,065	330,872	354,401	334,848	154,113	120,824	62,248	239,642	500,448
T MEDICAID- OUT OF STATE	51,233	5,986	7,538	1,478	3,515	2,797	658	3,210	12,251	13,800
V SELF PAY- after BC	432,077	18,876	30,301	59,098	38,604	28,786	22,882	52,785	48,179	132,566
W WORKERS COMP	1,500,041	161,605	167,963	163,547	161,373	84,237	106,902	42,655	206,989	404,771
Y MA APPLICATION- SELF	0	0	0	0	0	0	0	0	0	0
Z CHARITY CARE	12,263	0	0	1,208	473	0	0	0	9,862	720
TOTAL	27,949,969	5,011,267	3,864,077	2,732,074	2,084,349	1,697,855	1,076,311	1,007,458	4,207,728	6,268,851

AGED BY DISCHARGE DATE

CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365+
	(3)*(2)									
2 BLUE CROSS- OUT OF STATE	1,575	188	150	0	0	456	0	0	780	0
3 NO FAULT	326,906	67,893	48,916	40,008	20,699	15,506	11,072	5,101	47,461	70,249
4 MOTHER INFANT CARE	50,104	0	1,212	0	0	0	540	630	5,300	42,422
5 HEALTH PARTNERS	3,350,046	463,117	334,227	327,624	191,501	109,600	87,274	67,395	388,538	1,380,770
6 OTHER HMO	311,170	9,409	14,334	11,068	6,450	9,618	5,039	15,683	32,811	206,758
7 MCP CARE/HUH SELECT	393,392	80,118	67,255	71,063	22,113	17,617	9,846	16,895	27,376	81,110
8 MANAGED MA	1,767,598	232,070	226,405	210,933	114,409	94,837	37,769	38,138	80,497	732,540
A MA APPLICATION- SELF	64,152	20,275	9,230	2,112	6,228	2,657	1,745	1,220	12,210	8,475
B BLUE CROSS	3,949,346	550,753	498,772	468,499	340,338	359,388	174,741	151,264	709,541	696,049
C COMMERCIAL	1,645,007	311,582	244,519	167,377	127,337	98,422	69,597	57,004	208,415	360,755
D HMO CAPITATION	78,985	5,809	4,952	3,752	17,748	8,850	3,930	15,545	29,730	(11,332)
E KEYSTONE EAST HMO	1,840,787	340,265	269,983	141,452	126,660	169,000	109,257	116,108	243,267	324,795
F PATIENT CONTRACTS- SELF	19,140	7,732	3,098	2,019	327	487	8	(7)	4,295	1,181
G SELF PAY- after insurance	493,374	37,670	86,723	32,972	20,918	43,320	36,136	20,038	173,860	41,738
H HMO REGULAR	1,731,531	405,787	254,952	223,131	161,058	151,309	66,529	108,984	159,861	199,922
I SELF PAY- after MC	78,585	12,437	21,583	13,145	5,401	4,327	1,090	882	4,900	14,820
L HILL BURTON	1,158	473	0	0	0	0	0	0	0	684
M MEDICARE	4,043,028	1,191,747	861,846	273,025	215,211	190,839	76,032	126,292	410,294	697,742
P MEDICAID	3,369,008	745,411	379,244	164,164	169,137	151,689	134,440	105,388	1,151,669	367,866
R MA REJECTION	0	0	0	0	0	0	0	0	0	0
S SELF PAY	2,439,462	342,065	330,872	354,401	334,848	154,113	120,824	62,248	239,642	500,448
T MEDICAID- OUT OF STATE	51,233	5,986	7,538	1,478	3,515	2,797	658	3,210	12,251	13,800
V SELF PAY- after BC	432,077	18,876	30,301	59,098	38,604	28,786	22,882	52,785	48,179	132,566
W WORKERS COMP	1,500,041	161,605	167,963	163,547	161,373	84,237	106,902	42,655	206,989	404,771
Y MA APPLICATION- SELF	0	0	0	0	0	0	0	0	0	0
Z CHARITY CARE	12,263	0	0	1,208	473	0	0	0	9,862	720
TOTAL	27,949,969	5,011,267	3,864,077	2,732,074	2,084,349	1,697,855	1,076,311	1,007,458	4,207,728	6,268,851

CL 001186

Medical Claims of Pennsylvania-East-Field
 ACCOUNTS RECEIVABLE AGING - OUTPATIENT Gross, AGED FROM LAST PAYMENT DATE
 June 30, 1996

CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365+
2 BLUE CROSS- OUT OF STATE	1,575	(1) 188	150	0	0	456	0	0	780	0
3 NO FAULT	326,906	67,893	48,916	40,008	20,699	15,506	11,072	5,101	47,461	70,249
4 MOTHER INFANT CARE	50,104	0	1,212	0	0	0	540	630	5,300	42,422
5 HEALTH PARTNERS	3,350,046	463,117	334,227	327,624	191,501	109,600	87,274	67,395	388,538	1,380,770
6 OTHER HMO	311,170	9,409	14,334	11,068	6,450	9,618	5,039	15,683	32,811	206,758
7 MCP CARE/HUH SELECT	393,392	80,118	67,255	71,063	22,113	17,617	9,846	16,895	27,376	81,110
8 MANAGED MA	1,767,598	232,070	226,405	210,933	114,409	94,837	37,769	38,138	80,497	732,540
A MA APPLICATION- SELF	64,152	20,275	9,230	2,112	6,228	2,657	1,745	1,220	12,210	8,475
B BLUE CROSS	4,936,683	688,441	623,466	585,624	425,423	449,235	218,426	189,081	886,927	870,061
C COMMERCIAL	1,645,007	311,582	244,519	167,377	127,337	98,422	69,597	57,004	208,415	360,755
D HMO CAPITATION	78,985	5,809	4,952	3,752	17,748	8,850	3,930	15,545	29,730	(11,332)
E KEYSTONE EAST HMO	2,300,984	425,332	337,478	176,815	158,326	211,250	136,571	145,135	304,084	405,994
F PATIENT CONTRACTS- SELF	51,487	20,896	7,557	4,925	991	1,475	24	(20)	13,014	2,625
G SELF PAY- after insurance	493,374	37,670	86,723	32,972	20,918	43,320	36,136	20,038	173,860	41,738
H HMO REGULAR	1,731,531	405,787	254,952	223,131	161,058	151,309	66,529	108,984	159,861	199,922
I SELF PAY- after MC	270,984	42,886	74,425	45,328	18,625	14,922	3,758	3,043	16,896	51,103
L HILL BURTON	1,158	473	0	0	0	0	0	0	0	684
M MEDICARE	4,043,028	1,191,747	861,846	273,025	215,211	190,839	76,032	126,292	410,294	697,742
P MEDICAID	3,369,008	745,411	379,244	164,164	169,137	151,689	134,440	105,388	1,151,669	367,866
R MA REJECTION	1,122	0	0	0	0	157	0	0	0	965
S SELF PAY	2,439,462	342,065	330,872	354,401	334,848	154,113	120,824	62,248	239,642	500,448
T MEDICAID- OUT OF STATE	51,233	5,986	7,538	1,478	3,515	2,797	658	3,210	12,251	13,800
V SELF PAY- after BC	432,077	18,876	30,301	59,098	38,604	28,786	22,882	52,785	48,179	132,566
W WORKERS COMP	1,500,041	161,605	167,963	163,547	161,373	84,237	106,902	42,655	206,989	404,771
Y MA APPLICATION- SELF	97,098	0	0	14,230	13,409	22,661	18,222	8,571	15,306	4,699
Z CHARITY CARE	12,263	0	0	1,208	473	0	0	0	9,862	720
TOTAL	29,720,468	5,277,635	4,113,566	2,933,880	2,228,395	1,864,352	1,168,216	1,085,019	4,481,951	6,567,452

(1) Amounts were traced into the Invision system generated report.

AGED BY REGISTRATION DATE

CLASS	TOTAL	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
2 BLUE CROSS- OUT OF STATE	1,575	(3) 188	150	0	0	456	0	0	780	0
3 NO FAULT	326,906	67,893	48,916	40,008	20,699	15,506	11,072	5,101	47,461	70,249
4 MOTHER INFANT CARE	50,104	0	1,212	0	0	0	540	630	5,300	42,422
5 HEALTH PARTNERS	3,350,046	463,117	334,227	327,624	191,501	109,600	87,274	67,395	388,538	1,380,770
6 OTHER HMO	311,170	9,409	14,334	11,068	6,450	9,618	5,039	15,683	32,811	206,758
7 MCP CARE/HUH SELECT	393,392	80,118	67,255	71,063	22,113	17,617	9,846	16,895	27,376	81,110
8 MANAGED MA	1,767,598	232,070	226,405	210,933	114,409	94,837	37,769	38,138	80,497	732,540
A MA APPLICATION- SELF	64,152	20,275	9,230	2,112	6,228	2,657	1,745	1,220	12,210	8,475
B BLUE CROSS	4,936,683	688,441	623,466	585,624	425,423	449,235	218,426	189,081	886,927	870,061
C COMMERCIAL	1,645,007	311,582	244,519	167,377	127,337	98,422	69,597	57,004	208,415	360,755
D HMO CAPITATION	78,985	5,809	4,952	3,752	17,748	8,850	3,930	15,545	29,730	(11,332)
E KEYSTONE EAST HMO	2,300,984	425,332	337,478	176,815	158,326	211,250	136,571	145,135	304,084	405,994
F PATIENT CONTRACTS- SELF	51,487	20,896	7,557	4,925	991	1,475	24	(20)	13,014	2,625
G SELF PAY- after insurance	493,374	37,670	86,723	32,972	20,918	43,320	36,136	20,038	173,860	41,738
H HMO REGULAR	1,731,531	405,787	254,952	223,131	161,058	151,309	66,529	108,984	159,861	199,922
I SELF PAY- after MC	270,984	42,886	74,425	45,328	18,625	14,922	3,758	3,043	16,896	51,103
L HILL BURTON	1,158	473	0	0	0	0	0	0	0	684
M MEDICARE	4,043,028	1,191,747	861,846	273,025	215,211	190,839	76,032	126,292	410,294	697,742
P MEDICAID	3,369,008	745,411	379,244	164,164	169,137	151,689	134,440	105,388	1,151,669	367,866
R MA REJECTION	1,122	0	0	0	0	157	0	0	0	965
S SELF PAY	2,439,462	342,065	330,872	354,401	334,848	154,113	120,824	62,248	239,642	500,448
T MEDICAID- OUT OF STATE	51,233	5,986	7,538	1,478	3,515	2,797	658	3,210	12,251	13,800
V SELF PAY- after BC	432,077	18,876	30,301	59,098	38,604	28,786	22,882	52,785	48,179	132,566
W WORKERS COMP	1,500,041	161,605	167,963	163,547	161,373	84,237	106,902	42,655	206,989	404,771
Y MA APPLICATION- SELF	97,098	0	0	14,230	13,409	22,661	18,222	8,571	15,306	4,699
Z CHARITY CARE	12,263	0	0	1,208	473	0	0	0	9,862	720
TOTAL	29,720,468	5,277,635	4,113,566	2,933,880	2,228,395	1,864,352	1,168,216	1,085,019	4,481,951	6,567,452

(3) C&L obtained amounts from the Invision system generated agings.

HAHNEMANN UNIVERSITY
 PERCENTAGES APPLIED TO DETERMINE OUTPATIENT NET A/R
 (FOR CONTRACTUAL ALLOWANCES NOT TAKEN AT TIME OF BILLING)

FINANCIAL CLASS	% AVERAGE REIMBURSEMENT	COMMENTS
2	(2) 100.00%	
3	1 100.00%	

CL 001187

4	100.00%	(1) Percentages revised 7/27/95 & 4/12/96 33%, AND 41%, RESPECTIVELY
5	100.00%	
6	100.00%	
7	100.00%	
8	100.00%	
A	100.00%	
B	80.00% (1)	(2) Additional reserve required consistent with inpatient calculation -
C	100.00%	commercial A/R valued at 100% when billed; actual experience has been
D	100.00%	an 80% collection average.
E	80.00% (1), (2)	
F	37.00% (3)	(3) Percentage revised 6/17/96 from 41% to 37%
G	100.00%	
H	100.00%	
I	29.00%	
J	100.00%	
K	100.00%	
L	100.00%	
M	n/a	
N	100.00%	
O	100.00%	
P	100.00%	
Q	100.00%	
R	n/a	
S	100.00%	
Z	100.00%	


CL 001188

MEDICAL COLLEGE OF PENNSYLVANIA- EAST FALLS
OUTPATIENT BAD DEBT RESERVE PERCENTAGES

CLASS	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365-
2 BLUE CROSS- OUT OF STATE	5%	5%	5%	5%	5%	5%	5%	5%	10%
3 NO FAULT	5%	5%	10%	15%	20%	40%	70%	70%	90%
4 MOTHER INFANT CARE	20%	20%	20%	40%	50%	50%	90%	90%	90%
5 HEALTH PARTNERS	20%	20%	20%	20%	25%	25%	30%	40%	50%
6 OTHER HMO	0%	0%	0%	25%	25%	25%	25%	25%	25%
7 MCP CARE/HUH SELECT	20%	20%	20%	20%	25%	25%	30%	40%	50%
8 MANAGED MA	20%	20%	25%	25%	25%	25%	50%	50%	90%
A MA APPLICATION- SELF	5%	5%	5%	5%	5%	5%	5%	5%	5%
B BLUE CROSS	5%	5%	5%	5%	5%	5%	5%	5%	10%
C COMMERCIAL	5%	5%	10%	15%	20%	40%	70%	70%	90%
D HMO CAPITATION	50%	50%	50%	75%	75%	90%	90%	90%	90%
E KEYSTONE EAST HMO	20%	20%	20%	20%	25%	25%	30%	40%	50%
F PATIENT CONTRACTS- SELF	0%	0%	0%	5%	5%	5%	5%	5%	10%
G SELF PAY- after insurance	0%	0%	0%	25%	25%	25%	25%	25%	25%
H HMO REGULAR	0%	0%	0%	25%	25%	25%	25%	25%	25%
I SELF PAY- after MC	25%	25%	25%	50%	50%	75%	90%	90%	90%
L HILL BURTON	20%	20%	25%	25%	25%	25%	50%	50%	50%
M MEDICARE	50%	50%	50%	50%	75%	75%	75%	75%	75%
P MEDICAID	20%	20%	25%	25%	25%	25%	50%	50%	90%
R MA REJECTION	50%	50%	50%	50%	50%	50%	50%	50%	50%
S SELF PAY	20%	20%	25%	25%	30%	40%	50%	50%	50%
T MEDICAID- OUT OF STATE	20%	20%	20%	20%	25%	25%	50%	50%	50%
V SELF PAY- after BC	10%	10%	10%	10%	25%	25%	25%	25%	25%
W WORKERS COMP	0%	0%	0%	5%	5%	5%	5%	5%	10%
Y MA APPLICATION- SELF	20%	20%	20%	30%	35%	40%	50%	50%	55%
Z CHARITY CARE	50%	50%	60%	60%	70%	70%	80%	80%	100%

CL 001189

AHERF
06/30/96

Working Paper Name: EPPI- Bad Debt Analysis using HUH Methodology
Working Paper Reference: 0053-154
Working Paper Type : OLE

Medical College Of Pennsylvania- EPPI
INPATIENT BAD DEBT RESERVE CALCULATION
06/30/96

PBC

 Completed

Completed By: Brian W. Christian Date: 09/19/96 10:09:34 AM
Last Modified By: Mark D. Kirstein Date: 10/03/96 12:34:46 AM

 Reviewed

Mark D. Kirstein

 Mark for Deletion

Modification History:

Brian W. Christian

CL 001190

Medical Case of Patient, JEFF
INPATIENT AND SELF RESERVE CALCULATION
06/30/96

Note: The reserve calculation below is based on the aged by final billed date methodology

PBC											
CLASS	TOTAL	INHOUSE & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365-
	(1) * (2) =										
5 HEALTH PARTNERS	205,957	0	0	1,800	2,700	1,350	9,000	900	540	8,023	181,644
6 OTHER HMO	26,792	0	0	0	0	0	1,630	0	0	2,055	23,108
7 MCP CARE/HUM SELECT	116,039	0	0	1,514	10,267	585	632	0	17,980	34,607	50,454
8 MANAGED MA	396,177	8,316	0	8,675	4,600	11,657	1,200	14,231	33,209	3,784	310,505
A MA APPLICATION- SELF	471,389	410,995	19,888	3,502	0	0	23,668	13,100	0	238	0
B BLUE CROSS	91,618	0	0	0	0	0	0	2,468	930	1,755	86,465
C COMMERCIAL	38,865	0	4,599	0	2,723	1,570	741	0	2,042	10,886	16,306
E KEYSTONE EAST HMO	154,921	0	0	268	0	2,610	1,305	15,075	9,391	44,768	81,504
F PATIENT CONTRACTS- SELF	4,401	0	0	0	0	0	0	0	0	0	4,401
G SELF PAY- after insurance	43,780	0	0	0	18,156	0	12,180	1,547	0	2,624	9,273
H HMO REGULAR	110,653	0	0	0	5,069	8,370	0	0	11,650	26,639	58,925
I SELF PAY- after MC	42,587	0	4,364	2,933	4,167	7,436	1,030	20,598	0	1,524	535
K COUNTY	705,599	0	0	20	987	12,269	11,074	28,429	10,037	90,649	552,134
M MEDICARE	12,663	0	0	0	0	0	638	(153)	740	3,144	8,293
P MEDICAID	864,347	0	165,796	24,384	43,064	67,460	24,731	45,512	35,329	144,970	313,102
S SELF PAY	357,296	154,736	1,792	19,748	54,606	3,232	120,624	0	5,197	(2,576)	(62)
T MEDICAID- OUT OF STATE	12,202	0	0	0	0	2,876	0	0	0	0	9,326
V SELF PAY- after BC	135,763	0	0	0	0	1,600	1,019	0	0	41,480	91,664
W WORKERS COMP	1,550	0	0	0	0	0	0	0	0	0	1,550
Y MA APPLICATION- SELF	444,460	36,978	221,669	83,959	36,650	6,786	46,473	11,944	0	0	0
Z CHARITY CARE	0	0	0	0	0	0	0	0	0	0	0
	4,237,060	611,025	418,107	146,804	182,989	127,801	255,944	153,650	127,045	414,568	1,799,127

Note: The reserve calculation below is based on the aged by discharge date methodology.

CLASS	TOTAL	INHOUSE & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
	(3) * (2) =										
5 HEALTH PARTNERS	205,957	0	0	1,800	2,700	1,350	9,000	900	540	8,023	181,644
6 OTHER HMO	26,792	0	0	0	0	0	1,630	0	0	2,055	23,108
7 MCP CARE/HUM SELECT	116,039	0	0	1,514	10,267	585	632	0	17,980	34,607	50,454
8 MANAGED MA	396,177	8,316	0	8,675	4,600	11,657	1,200	14,231	33,209	3,784	310,505
A MA APPLICATION- SELF	471,389	410,995	19,888	3,502	0	0	23,668	13,100	0	238	0
B BLUE CROSS	91,618	0	0	0	0	0	0	2,468	930	1,755	86,465
C COMMERCIAL	38,865	0	4,599	0	2,723	1,570	741	0	2,042	10,886	16,306
E KEYSTONE EAST HMO	154,921	0	0	268	0	2,610	1,305	15,075	9,391	44,768	81,504
F PATIENT CONTRACTS- SELF	4,401	0	0	0	0	0	0	0	0	0	4,401
G SELF PAY- after insurance	43,780	0	0	0	18,156	0	12,180	1,547	0	2,624	9,273
H HMO REGULAR	110,653	0	0	0	5,069	8,370	0	0	11,650	26,639	58,925
I SELF PAY- after MC	42,587	0	4,364	2,933	4,167	7,436	1,030	20,598	0	1,524	535
K COUNTY	705,599	0	0	20	987	12,269	11,074	28,429	10,037	90,649	552,134
M MEDICARE	12,663	0	0	0	0	0	638	(153)	740	3,144	8,293
P MEDICAID	864,347	0	165,796	24,384	43,064	67,460	24,731	45,512	35,329	144,970	313,102
S SELF PAY	357,296	154,736	1,792	19,748	54,606	3,232	120,624	0	5,197	(2,576)	(62)
T MEDICAID- OUT OF STATE	12,202	0	0	0	0	2,876	0	0	0	0	9,326
V SELF PAY- after BC	135,763	0	0	0	0	1,600	1,019	0	0	41,480	91,664
W WORKERS COMP	1,550	0	0	0	0	0	0	0	0	0	1,550
Y MA APPLICATION- SELF	444,460	36,978	221,669	83,959	36,650	6,786	46,473	11,944	0	0	0
Z CHARITY CARE	0	0	0	0	0	0	0	0	0	0	0
REQUIRED RESERVE	4,237,060	611,024	418,107	146,804	182,989	127,801	255,944	153,650	127,045	414,568	1,799,127

Reserve difference due to change in historic aging methodology:

Reserve using final billed aging 4,237,060
Reserve using discharge date 4,237,060

Difference 0

CL 001191

WELLS FARGO BANK, N.A. (WFB)

ACCOUNTS RECEIVABLE AGING - PATIENT
ALTA 10 1999

AGED FROM FINAL BILL DATE

CLASS	TOTAL	IH & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365+
(1)											
5 HEALTH PARTNERS	434,372	53,922	40,178	36,000	27,000	9,000	45,000	3,600	1,800	16,045	201,827
6 OTHER HMO	37,933	0	0	0	0	0	8,148	0	0	4,110	25,675
7 MCP CARE/HUM SELECT	468,892	78,378	80,907	30,288	102,669	3,899	2,526	0	44,950	69,215	56,060
8 MANAGED MA	525,383	33,264	0	34,700	18,400	23,314	2,400	18,975	44,279	5,045	345,006
A MA APPLICATION- SELF	1,063,568	821,990	79,551	14,007	0	0	94,670	52,399	0	951	0
B BLUE CROSS	1,491,440	88,438	76,725	119,150	109,250	130,171	0	49,350	18,600	35,102	864,654
C COMMERCIAL	158,657	0	45,992	0	27,228	10,464	4,938	0	10,209	27,214	32,611
E KEYSTONE EAST HMO	342,599	0	60,792	5,364	0	17,400	5,220	50,250	23,478	89,535	90,560
F PATIENT CONTRACTS- SELF	4,401	0	0	0	0	0	0	0	0	0	4,401
G SELF PAY- after insurance	62,058	0	0	0	30,260	0	17,400	2,211	0	2,915	9,273
H HMO REGULAR	255,873	1,507	0	0	50,691	55,800	0	0	29,125	53,278	65,472
I SELF PAY- after MC	67,058	0	8,727	5,866	6,945	12,394	1,472	29,426	0	1,693	535
K COUNTY	1,092,248	0	2,856	408	9,870	81,793	55,371	113,715	33,456	181,297	613,482
M MEDICARE	1,194,341	691,131	172,170	66,161	61,892	32,669	12,764	(3,068)	14,809	62,880	82,933
P MEDICAID	6,565,900	1,155,908	1,657,956	243,836	430,636	674,601	247,311	182,047	141,316	579,882	1,252,408
S SELF PAY	624,839	309,472	3,583	39,496	91,011	5,386	172,320	0	6,496	(2,862)	(62)
T MEDICAID- OUT OF STATE	66,067	0	0	0	0	28,762	0	0	0	0	37,305
V SELF PAY- after BC	141,876	0	0	0	0	2,667	1,456	0	0	46,089	91,664
W WORKERS COMP	1,550	0	0	0	0	0	0	0	0	0	1,550
Y MA APPLICATION- SELF	1,703,885	73,955	886,676	335,838	146,601	27,146	185,893	47,776	0	0	0
Z CHARITY CARE	269,971	0	0	0	210,469	0	21,326	0	0	31,878	6,298
TOTAL	16,572,911	3,307,965	3,116,113	931,114	1,322,922	1,115,466	878,215	546,680	368,518	1,204,267	3,781,652

(1) Amounts were traced into the Invision system generated report.

AGED BY DISCHARGE DATE

CLASS	TOTAL	IH & DNFB (NET)	0-30	31-60	61-90	91-120	121-150	151-180	181-210	211-365	365+
(3)											
5 HEALTH PARTNERS	434,372	53,922	40,178	36,000	27,000	9,000	45,000	3,600	1,800	16,045	201,827
6 OTHER HMO	37,933	0	0	0	0	0	8,148	0	0	4,110	25,675
7 MCP CARE/HUM SELECT	468,892	78,378	80,907	30,288	102,669	3,899	2,526	0	44,950	69,215	56,060
8 MANAGED MA	525,383	33,264	0	34,700	18,400	23,314	2,400	18,975	44,279	5,045	345,006
A MA APPLICATION- SELF	1,063,568	821,990	79,551	14,007	0	0	94,670	52,399	0	951	0
B BLUE CROSS	1,491,440	88,438	76,725	119,150	109,250	130,171	0	49,350	18,600	35,102	864,654
C COMMERCIAL	158,657	0	45,992	0	27,228	10,464	4,938	0	10,209	27,214	32,611
E KEYSTONE EAST HMO	342,599	0	60,792	5,364	0	17,400	5,220	50,250	23,478	89,535	90,560
F PATIENT CONTRACTS- SELF	4,401	0	0	0	0	0	0	0	0	0	4,401
G SELF PAY- after insurance	62,058	0	0	0	30,260	0	17,400	2,211	0	2,915	9,273
H HMO REGULAR	255,873	1,507	0	0	50,691	55,800	0	0	29,125	53,278	65,472
I SELF PAY- after MC	67,058	0	8,727	5,866	6,945	12,394	1,472	29,426	0	1,693	535
K COUNTY	1,092,248	0	2,856	408	9,870	81,793	55,371	113,715	33,456	181,297	613,482
M MEDICARE	1,194,341	691,131	172,170	66,161	61,892	32,669	12,764	(3,068)	14,809	62,880	82,933
P MEDICAID	6,565,900	1,155,908	1,657,956	243,836	430,636	674,601	247,311	182,047	141,316	579,882	1,252,408
S SELF PAY	624,839	309,472	3,583	39,496	91,011	5,386	172,320	0	6,496	(2,862)	(62)
T MEDICAID- OUT OF STATE	66,067	0	0	0	0	28,762	0	0	0	0	37,305
V SELF PAY- after BC	141,876	0	0	0	0	2,667	1,456	0	0	46,089	91,664
W WORKERS COMP	1,550	0	0	0	0	0	0	0	0	0	1,550
Y MA APPLICATION- SELF	1,703,885	73,955	886,676	335,838	146,601	27,146	185,893	47,776	0	0	0
Z CHARITY CARE	269,971	0	0	0	210,469	0	21,326	0	0	31,878	6,298
TOTAL	16,572,910	3,307,964	3,116,113	931,114	1,322,922	1,115,466	878,215	546,680	368,518	1,204,267	3,781,652

(3)- C&L obtained amounts from the Invision system generated agings.

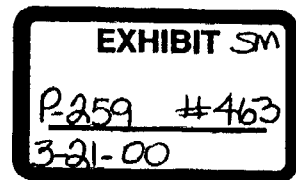
CL 001192

Medical College Of Pennsylvania - EPP
 INPATIENT BAD DEBT RESERVE PERCENTAGES

CLASS	INHOUSE & DNFB	0-30/ FINAL BILL	31-60	61-90	91-120	121-150	151-180	181-270	271-365	365+
(2)										
5 HEALTH PARTNERS	0%	0%	5%	10%	15%	20%	25%	30%	50%	90%
6 OTHER HMO	0%	0%	5%	10%	15%	20%	25%	30%	50%	90%
7 MCP CARE/HUH SELECT	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
8 MANAGED MA	25%	25%	25%	25%	50%	50%	75%	75%	75%	90%
A MA APPLICATION- SELF	50%	25%	25%	25%	25%	25%	25%	25%	25%	25%
B BLUE CROSS	0%	0%	0%	0%	0%	5%	5%	5%	5%	10%
C COMMERCIAL	10%	10%	10%	10%	15%	15%	20%	20%	40%	50%
E KEYSTONE EAST HMO	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
F PATIENT CONTRACTS- SELF	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
G SELF PAY- after insurance	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
H HMO REGULAR	0%	0%	5%	10%	15%	25%	30%	40%	50%	90%
I SELF PAY- after MC	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
K COUNTY	0%	0%	5%	10%	15%	20%	25%	30%	50%	90%
M MEDICARE	0%	0%	0%	0%	0%	5%	5%	5%	5%	10%
P MEDICAID	0%	10%	10%	10%	10%	10%	25%	25%	25%	25%
S SELF PAY	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
T MEDICAID- OUT OF STATE	0%	10%	10%	10%	10%	10%	25%	25%	25%	25%
V SELF PAY- after BC	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
W WORKERS COMP	50%	50%	50%	60%	60%	70%	70%	80%	90%	100%
Y MA APPLICATION- SELF	50%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Z CHARITY CARE	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

CL 001193

EXHIBIT 1079



AHERF
06/30/97

Issue Topic: Summary of Unadjusted Differences

Issue Description: For purposes of evaluation, the summary of unadjusted differences has been prepared by obligated group financial results. This was done since C&L issues a debt compliance letter for the AGH and DVOG obligated groups. We have also prepared a SUD on a consolidated basis. It has been determined that though consolidated financial statements are presented, given the various debt covenant requirements, separate evaluation at the obligated group level is necessary.

Based on the results of our audit procedures, we noted the following adjustments in the attached SUD.

AHERF - Consolidated SUD
30-Jun-97
Summary of Unadjusted Differences / Dollars in Thousands
C:\CLDATA\123\WORK\FILED006.WK4

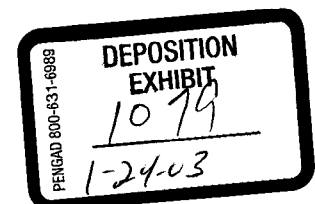
In summary, based on the results of our procedures, we noted that cumulative adjustments to the AHERF consolidated report totalled \$2.2 million of additional expense and a total impact of \$13,855 to unrestricted net assets or 9.83% and 2.43%, respectively. Substantially all of the net adjustment to net income is based on estimated amounts associated with AHERF's insurance programs and the estimated loss during the two month period related to the Graduate acquisition effective control date. As it relates to the adjustments to net assets, these items relate to prior year items that in the case of the gain on the sale of a building in 1996 should have been deferred and client did not defer the amount and in the case of the establishment of a liability for a qualified benefit plan, which should have been accrued in prior years was recognized in the current year as expense. Since the amounts effect prior reported net assets, C&L believes it is appropriate to evaluate these as such and have concluded that restatement to prior year's reported net assets is not necessary due to immateriality. Additionally, as a % of net assets, our measurement of materiality as defined during the planning phase, the total adjustments are not significant and provide sufficient level of tolerable error for undetected differences.

Link to Further Information: Audit Program Step Audit program step

Issue Type : Critical Matters - Fieldwork

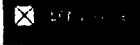
**Audit Area(s)
Affected** :

Client Site :



PwC 009741

FOIA CONFIDENTIAL TREATMENT
REQUESTED BY PwC

**Comments:**

NOTED AND AGREED. THE SUDS FOR THE OBLIGATED GROUPS WERE PREPARED SOLELY TO ASSESS THE DEBT COMPLIANCE (DEBT SERVICE COVERAGE RATIO). BASED ON THESE ASSESSMENTS, THE CLIENT MET THE DEBT SERVICE COVERAGE RATIO REQUIREMENTS FOR BOTH OF THE GROUPS AFTER REFLECTING THE SUD ADJUSTMENTS. FOR CONSOLIDATED PURPOSES, THE IMPACT IS NOT MATERIAL TO NET ASSETS OR EARNINGS TREND FROM PRIOR YEARS. ALSO, THE NET AMOUNT FOR EARNINGS IS NOT MATERIAL IN ABSOLUTE TERMS

WFB

Created By:	Christa L. Porter	Date: 08/27/97 08:00:46 PM
Last Modified By:	Mark D. Kirstein	Date: 02/04/98 04:45:47 PM
Cleared By:	William F. Buettner	Date: 02/02/98 05:42:06 PM

	Amy S. Frazier	02/03/98 01:03:36 PM
	Jeff Hoover	02/03/98 05:48:34 PM
	Mark D. Kirstein	02/04/98 04:45:47 PM



Coopers & Lybrand LLP a professional services firm	Client: AHERF - Consolidated SUD Period to: 30-Jun-97 Subject: Summary of Unadjusted Differences / Dollars in Thousands File Name: C:\CLDATA\123\WORK\FILE0001.WK4	Prepared by: CLP Date: 02-Oct-98 Reviewed By: Date:
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WVF	Ref	Description	Assets		Liabilities		Net Assets	Known				Operating Activities	Investing Activities	Financing Activities
			Current	Non-Current	Current	Non-Current		Errors	Projected	Estimate	Total			
		AGH entries	(268)	0	268	(7,253)	6,700	(447)	0	1,000	553	0	0	0
		DVOG entries	1,290	(883)	(1,595)	0		1,186	0	0	1,186	0	0	0
AJHG		Record note discount on PGMA		(4,825)	1,143	3,350		323			323 (non-cash)			0
		Reverse GW amort based on note discount		80				(80)			(80)			0
AHERF		To reclass state checks to account liability	1,303			(1,303)						0	0	0
AHERF		To reclass PPD health insurance to other current asset	(975)	975								0	0	0
AVH		To reclass ppd pension against accrued pension	(265)			265						0	0	0
AJHG		To adjust goodwill & covenants not to compete for excess years of amort.		(1,098)				1,098			1,098	0	0	0
Grid		To restate deferred revenue for the Qualified contract				(14,000)		14,000			14,000	0	0	0
AHERF		To recognize the remaining amount of temp restricted net assets for the good of the org into income						(12,079)			(12,079)	0	0	0
Grid Ent		March vs. May effective control		(3,803)						3,803	3,803	0	0	0
PV		Unreconciled difference in accrued exp				318		(318)			(318)	0	0	0
MT. Sinai		To reclass PP&E to held for sale	8,135	(8,135)								0	0	0
City Ave		To record CIP not accrued		1,767	(1,767)							1,768	(1,768)	0
d		To remove unreconciled difference in ca	(542)		542							0	0	0
AHERF		Current year expense for Pension Restoration Plan				(297)		297			297			
AHERF		Recognition of prior year liability associated with Pension Restoration Plan					5,000	(5,000)			(5,000)			
AHERF		To reduce professional liability reserves to a 50% excess reserve level as recommended by C&L's HRA group		2,025						(2,025)	(2,025)			
AVH		To reduce b/s gross up	(713)		713							0	0	0
AVH		To reverse excess W/C reserve		(1,000)		1,000								
AVH		To amort neg gw over 35 yrs.			(82)			62			62			
Forbes		To amort neg gw over 35 yrs.			(533)			533			533			
Total Errors			87,865	(514,687)	(5875)	(518,229)	\$11,700	(5423)	\$0	\$2,578	\$2,185	1,768	(1,768)	0
Balance Sheet Amounts			806,369	2,017,291	(597,899)	(1,201,215)	(824,766)							
Errors to Balance Sheet Amounts			1.31%	-0.73%	0.16%	1.52%	-1.42%							

Net Income (21,825)
 Percentage of Errors to Income -9.83%
 Unrestricted net assets 568,786
 Total adjustments to net assets 13,855
 Percentage of Errors to Unrestricted net assets 2.43%
 Total net assets 624,766
 Percentage of errors to total net assets 1.68%
 Cash Flows Statement Totals 70,593 (52,625) (7,991)
 Percentage of Errors to Cash Flows Statement Totals 2.25% 3.40% 0.60%

PwC 009743

FOIA CONFIDENTIAL TREATMENT
REQUESTED BY PwC

Coopers & Lybrand	Coopers & Lybrand L.L.P. a professional services firm	
Client:	AMERF - DVOG	Prepared by CLP
Period to:	30-Jun-97	Date: 13-Oct-98
Subject:	Summary of Unadjusted Differences / Dollars in Thousands	Reviewed by:
File Name:	C:\CLDATA\123\WORKFILE0004.WK4	Date:

W/P Ref	Description	BALANCE SHEET IMPACT (DR-CR)					INCOME STATEMENT IMPACT (DR-CR)				CASH FLOWS STAT. IMPACT		
		Assets		Liabilities		Net Assets	Known Errors	Projected	Estimate	Total	Operating Activities	Investing Activities	Financing Activities
		Current	Non-Current	Current	Non-Current								
	AHSPIC 50% excess				(4,616)				4,616	4,616	0		
	To record invoice not accrued at 6/30/97			(305)			305			305	0		
										0			
Bucks	To remove SMI and STC goodwill as have no value		(883)				883			883	0		
AUHS	To reclass profee or balances	930		(930)						0			
AUHS	To reclass tuition credits to payable	360		(360)						0			
										0			
										0			
										0			
										0			
Total Errors		\$1,290	\$(883)	\$(1,595)	\$(4,616)	\$0	\$1,188	\$0	\$4,616	\$3,804	\$0	\$0	\$0
Balance Sheet Amounts:		306,144	722,151	217,409	(897,298)	(348,406)	0						
Errors to Balance Sheet Amounts		0.42%	-0.12%	-0.73%	0.51%	0.00%							
											Net Income		
											(23,701)		
											Percentage of Errors to Income		
											-24.49%		
											total adjustment to unrestricted net assets		
											5,804		
											net increase(decrease) in unrestricted net assets		
											40,345		
											percentage of errors to net increase(decrease) in unrestricted net assets		
											14.39%		
											Unrestricted net assets		
											(192,651)		
											Percentage of Errors to Unrestricted net assets		
											-3.01%		
											Cash Flows Statement Totals		
											46,800 (77,298) 23,860		
											Percentage of Errors to Cash Flows Statement Totals		
											0.00% 0.00% 0.00%		
totals excluding the impact of the 50% excess since AHSPIC is consolidated at the AMERF level		1,290	(883)	(1,595)	0	0	1,188	0	0	1,188			

PwC 009745

FOIA CONFIDENTIAL TREATMENT
REQUESTED BY PwC

EXHIBIT 1094

AHERF RESERVE SUMMARY FY 97

	Balance @ 6/30/96	Balance @ 5/31/97	Change
AGH	\$11,285,000	\$8,453,000	(\$2,832,000)
FH	-	16,300,000	
AVH	-	2,355,000	
AUMC	-	18,655,000	18,655,000
MCPH	(9,555,000)	2,900,000	
EPH	(7,256,000)	50,000	
BCH	(6,198,000)	-	
HH	(6,156,000)	(2,592,000)	
MSS	(1,300,000)	100,000	
AUH*	(30,465,000)	458,000	30,923,000
SCHC**	(7,436,000)	90,000	7,526,000
GH	-	16,515,000	
MSH	-	3,508,000	
PH	-	5,532,000	
CAH	-	1,130,000	
AUH, Centennial	-	26,685,000	26,685,000
AUH, New Jersey	-	2,573,000	2,573,000
AIHG	-	-	-
AUHS	5,000,000	5,047,000	47,000
ASRI	-	-	-
AHERF OPS	52,406,000	25,009,000	(27,397,000)
AHERF Consolidated	<u>\$30,790,000</u>	<u>\$86,970,000</u>	<u>\$56,180,000</u>

Potential Exposures:

Health America Risk Agreement ?

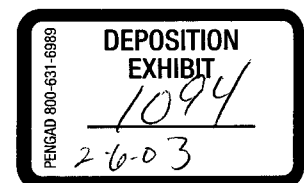
USHC Risk Agreement ?

Graduate Prudent Buyer Audits \$1,000,000 - \$2,000,000

* Includes \$19,854,000 of bad debt shortfalls at 6/30/96

** Includes \$9,090,000 of bad debt shortfalls at 6/30/96

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AHERF RESERVE DETAIL
FY 97

	Balance @ 6/30/96	Balance @ 5/31/97	Change
AGH			
Excess Bad Debt Reserve	\$900,000	\$900,000	
Excess Charge Differential	2,275,000	2,275,000	
Prior Year CRAs	1,000,000	893,000	
General Reserve in CRAs	7,110,000	4,385,000	
	<u>11,285,000</u>	<u>8,453,000</u>	<u>(2,832,000)</u>
AUMC			
FH:			
Prior Year CRAs	-	5,900,000	
General Reserve	-	10,400,000	
	-	<u>16,300,000</u>	
AVH:			
Prior Year CRAs	-	1,500,000	
General Reserve	-	855,000	
	-	<u>2,355,000</u>	
Total	-	<u>18,655,000</u>	<u>18,655,000</u>
AUH			
MCPH:			
Health Partners Unrecorded Equity	84,000	-	
Excess Accumulated Depreciation	2,900,000	2,900,000	
Excess Inventory Reserve	345,000	-	
Bad Debt Reserve Shortfall	<u>(12,884,000)</u>	<u>-</u>	
	(9,555,000)	2,900,000	
EPH:			
Excess Accumulated Depreciation	50,000	50,000	
Bad Debt Reserve Shortfall	<u>(7,306,000)</u>	<u>-</u>	
	(7,256,000)	50,000	
BCH:			
Bad Debt Reserve Shortfall	<u>(6,198,000)</u>	<u>-</u>	
	(6,198,000)	-	
HH:			
Excess Inventory Reserve	587,000	-	
Excess Accumulated Depreciation	1,100,000	-	
Hahn Ins. Co. Unrecorded Deficit	(1,100,000)	-	
Write Off of Feinstein Bldg	-	(1,371,000)	
Write Off of SHSH Bldg.	(1,310,000)	(1,221,000)	
Bad Debt Reserve Shortfall	<u>(5,433,000)</u>	<u>-</u>	
	(6,156,000)	(2,592,000)	
MSS:			
Excess Accumulated Depreciation	100,000	100,000	
Unrecorded Centre Square Lease	<u>(1,400,000)</u>	<u>-</u>	
	(1,300,000)	100,000	
Total	<u>(30,465,000)</u>	<u>458,000</u>	<u>30,923,000</u>
SCHC			
Temple OR Reserve	450,000	-	
Health Partners Unrecorded Equity (Deficit)	17,000	-	
General Reserve	2,200,000	-	
Inventory Reserve	-	90,000	
Bad Debt Reserve Shortfall	<u>(10,103,000)</u>	<u>-</u>	
	(7,436,000)	90,000	<u>7,526,000</u>

AHERF RESERVE DETAIL**FY 97****Page 2****AUH, Centennial****GH:**

Excess Bad Debt Reserve	-	1,020,000	
NIH Grant Reserve	-	500,000	
Inventory Reserve	-	470,000	
Prudent Buyer Reserve	-	2,500,000	
Hill-Burton Reserve	-	1,500,000	
PFMA Reserve	-	5,050,000	
Greater Atlantic Deferred Revenue	-	4,000,000	
General A/P Reserve	-	1,475,000	
	-	<u>16,515,000</u>	

MSH:

Shutdown Reserve	-	2,953,000	
General A/P Reserve	-	555,000	
	-	<u>3,508,000</u>	

PH:

PFMA Contract	-	5,050,000	
General Reserve	-	482,000	
	-	<u>5,532,000</u>	

CAH:

Excess Bad Debt Reserve	-	332,000	
General Reserve	-	798,000	
	-	<u>1,130,000</u>	

Total	-	26,685,000	26,685,000
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AUH, New Jersey**RH:**

Shutdown Reserve	-	1,000,000	
General A/P Reserve	-	1,450,000	
Excess Charge Differential Reserve	-	123,000	
	-	<u>2,573,000</u>	2,573,000

AIHG

-	-	-
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AUHS

Excess Accumulated Depreciation	3,500,000	3,500,000	
Hamot Restricted Monies	1,500,000	1,000,000	
General Reserve	-	547,000	
	<u>5,000,000</u>	<u>5,047,000</u>	47,000

ASRI

-	-	-
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AHERF OPS

Unrecorded Ins. Expense - Elkins Park	(382,000)	-	
Temporarily Restricted Funds	<u>52,788,000</u>	<u>25,009,000</u>	
	<u>52,406,000</u>	<u>25,009,000</u>	(27,397,000)

AHERF Consolidated	<u>\$30,790,000</u>	<u>\$86,970,000</u>	<u>\$56,180,000</u>
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AHERF**Allegheny Health, Education and
Research Foundation****D.L. Clark Building, 4th Floor
Pittsburgh, Pennsylvania 15212****Memorandum**

TO: Albert Adamczak
Vice President, Financial Services

FROM: Daniel J. Cancelmi
Senior Director, Corporate Accounting and Financial Reporting */dk*

DATE: July 3, 1997

SUBJECT: **Reserves Utilized to Cover Bad Debt Shortfalls and Health Partners Deficits**

In order to address two of the more pronounced exposure areas prior to our year end audit, various reserves have been utilized to eliminate bad debt reserve shortfalls and Health Partners deficits. A summary of the shortfalls and deficits follows:

(\$ in 000s)

	<u>MCPH</u>	<u>Elkins</u>	<u>Bucks</u>	<u>Hahnemann</u>	<u>SCHC</u>	<u>Total</u>
Bad debt reserve shortfall	\$6,091	\$2,793	\$1,547	\$11,106	\$3,546	\$25,083
Unrecorded Health Partners operating losses	425	---	---	640	1,367	2,432
Unrecorded Health Partners equity losses	<u>767</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>660</u>	<u>1,427</u>
	<u>\$7,283</u>	<u>\$2,793</u>	<u>\$1,547</u>	<u>\$11,746</u>	<u>\$5,573</u>	<u>\$28,942</u>

Attachments A and B to this memorandum outline the respective reserves utilized to cover the aforementioned shortfalls.

If you have any questions or need additional information, please contact me at your convenience.

Attachments

DJC/jaf

s/jodie/wp/dan/0703971 mem

cc: Joe Dionisio
Chuck Morrison
Greg Snow

Reserves Used to Cover Bad Debt Shortfall

Attachment A

(\$ in 000s)

	<u>MCPH</u>	<u>EPH</u>	<u>BCH</u>	<u>HUH</u>	<u>SCHC</u>	<u>Total</u>
Bad Debt Shortfall	(\$6,091)	(\$2,793)	(\$1,547)	(\$11,106)	(\$3,546)	(\$25,083)
Reserves Utilized:						
Capitalized Interest	1,191	24	59	1,355	328	2,957
University Cap. Interest	-	-	-	750	-	750
Mgmt. Services Cap. Interest	-	-	-	459	-	459
HUH Depreciation Reserve	-	-	-	1,100	-	1,100
Graduate Reserves:						
Excess Bad Debt	2,000	-	-	-	-	2,000
Prudent Buyer	3,000	-	-	-	-	3,000
PFMA	-	2,000	-	-	-	2,000
Pension	-	-	1,100	-	-	1,100
Workers' Comp	-	-	400	-	900	1,300
Parkview Reserves:						
PFMA	-	-	-	2,000	-	2,000
Malpractice	-	-	-	911	-	911
Pension	-	-	-	500	-	500
City Ave. Reserves:						
Malpractice	-	-	-	1,416	-	1,416
Pension	-	-	-	400	-	400
Mt. Sinai Reserves:						
Malpractice	-	-	-	686	-	686
Pension	-	-	-	200	-	200
Greater Atlantic Monies	-	-	-	824	-	824
Rancocas Reserves:						
Malpractice	-	-	-	628	-	628
General A/P	-	700	-	-	1,000	1,700
Pension	-	-	-	-	900	900
Excess Charge Diff.	-	-	-	-	500	500
Total Reserves Utilized	<u>6,191</u>	<u>2,724</u>	<u>1,559</u>	<u>11,229</u>	<u>3,628</u>	<u>25,331</u>
Adjusted (Shortfall)/Excess	<u>\$100</u>	<u>(\$69)</u>	<u>\$12</u>	<u>\$123</u>	<u>\$82</u>	<u>\$248</u>

sfjodie/123/shortfall wk4

Reserves Used to Cover Health Partners Deficits

Attachment B

(\$ in 000s)

	<u>HUH</u> <u>Operating</u> <u>Losses</u>	<u>MCPH</u> <u>Operating</u> <u>Losses</u>	<u>Unrecorded</u> <u>Equity Loss</u>	<u>St. Christopher's</u> <u>Operating</u> <u>Losses</u>	<u>Unrecorded</u> <u>Equity Loss</u>	<u>Total</u>
	\$ (640)	\$ (425)	\$ (767)	\$ (1,367)	\$ (660)	\$ (3,859)
Reserves Utilized:						
HUH Inventory Reserve	635	-	-	-	-	635
Elkins Health Partners Reserves	-	-	-	158	-	158
Bucks Health Partners Reserves	-	-	-	162	-	162
SCHC General A/P Reserve	-	-	-	700	-	700
MCPH General A/P Reserve	-	350	-	-	-	350
Bucks General A/P Reserve	-	-	-	400	-	400
Mgmt. Services General A/P Reserve	-	75	250	-	-	325
Graduate General A/P Reserve	-	-	500	-	700	1,200
Total Reserves Utilized	<u>635</u>	<u>425</u>	<u>750</u>	<u>1,420</u>	<u>700</u>	<u>3,930</u>
Adjusted (Shortfall)/Excess	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ (17)</u>	<u>\$ 53</u>	<u>\$ 40</u>	<u>\$ 71</u>

s/jodie/123/deficits wk4

AHERF RESERVE SUMMARY **FY 97**

*Various Reserves from
Various - see Attached*

	<u>Balance @ 6/30/96</u>	<u>Balance @ 5/31/97</u>	<u>Change</u>
AGH	\$11,285,000	\$8,453,000	(\$2,832,000)
FH	-	16,300,000	
AVH	-	2,355,000	
AUMC	-	18,655,000	18,655,000
MCPH	(6,081,000)	(2,835,000)	
EPH	(5,933,000)	(2,561,000)	
BCH	(4,461,000)	(913,000)	
HH	(723,000)	(11,248,000)	
MSS	(1,300,000)	894,000	
AUH*	(18,498,000)	(16,663,000)	1,835,000
SCHC**	(6,423,000)	(4,376,000)	2,047,000
GH	-	28,256,000	
MSH	-	5,218,000	
PH	-	8,943,000	
CAH	-	2,946,000	
AUH, Centennial	-	45,363,000	45,363,000
AUH, New Jersey	-	6,301,000	6,301,000
AIHG	-	-	-
AUHS	5,000,000	5,797,000	797,000
ASRI	-	-	-
AHERF OPS	<u>52,406,000</u>	<u>25,079,000</u>	<u>(27,327,000)</u>
AHERF Consolidated	<u>\$43,770,000</u>	<u>\$88,609,000</u>	<u>\$44,839,000</u>

Potential Exposures:

Health America Risk Agreement ?

USHC Risk Agreement ?

Graduate Prudent Buyer Audits \$1,000,000 - \$2,000,000

* Includes \$19,854,000 and \$21,537,000 of bad debt shortfalls at 6/30/96 and 5/31/97, respectively

** Includes \$9,090,000 and \$3,546,000 of bad debt shortfalls at 6/30/96 and 5/31/97, respectively

AHERF RESERVE DETAIL
FY 97

	Balance @ 6/30/96	Balance @ 5/31/97	Change
AGH			
Excess Bad Debt Reserve	\$900,000	\$900,000	
Excess Charge Differential	2,275,000	2,275,000	
Prior Year CRAs	1,000,000	893,000	
General Reserve in CRAs	7,110,000	4,385,000	
	11,285,000	8,453,000	(2,832,000)
AUMC			
FH:			
Prior Year CRAs	-	5,900,000	
General Reserve	-	10,400,000	
	-	16,300,000	
AVH			
Prior Year CRAs	-	1,500,000	
General Reserve	-	855,000	
	-	2,355,000	
Total	-	18,655,000	18,655,000
AUH			
MCPH			
Health Partners Unrecorded Equity	84,000	(762,000)	
Health Partners Operating Losses	-	(425,000)	
Excess Accumulated Depreciation	2,900,000	2,900,000	
Excess Inventory Reserve	345,000	-	
General Reserve	-	357,000	
Capitalized Interest	-	1,191,000	
Bad Debt Reserve Shortfall	(9,410,000)	(6,091,000)	
	(6,081,000)	(2,838,000)	
EPH			
Health Partners Operating Profits	-	158,000	
Excess Accumulated Depreciation	50,000	50,000	
Capitalized Interest	-	24,000	
Bad Debt Reserve Shortfall	(5,983,000)	(2,793,000)	
	(5,933,000)	(2,561,000)	
BMH			
Health Partners Operating Profits	-	162,000	
General Reserve	-	413,000	
Capitalized Interest	-	50,000	
Bad Debt Reserve Shortfall	(4,461,000)	(1,547,000)	
	(4,461,000)	(913,000)	
HH			
Excess Inventory Reserve	587,000	636,000	
Health Partners Operating Losses	-	(640,000)	
Excess Accumulated Depreciation	1,100,000	1,100,000	
Hahn Ins. Co. Unrecorded Deficit	(1,100,000)	-	
Write Off of Feinstein Bldg	-	(1,371,000)	
Write Off of SHSH Bldg	(1,310,000)	(1,221,000)	
Capitalized Interest	-	1,355,000	
Bad Debt Reserve Shortfall	-	(11,106,000)	
	(723,000)	(11,248,000)	
MSS			
General Reserve	-	335,000	
Capitalized Interest	-	459,000	
Excess Accumulated Depreciation	100,000	100,000	
Unrecorded Centre Square Lease	(1,400,000)	-	
	(1,300,000)	894,000	
Total	(18,498,000)	(16,663,000)	1,835,000
SCHC			
Temple OR Reserve	450,000	-	
Health Partners Unrecorded Equity (Deficit)	17,000	(660,000)	
Health Partners Operating Losses	-	(1,367,000)	
General Reserve	2,200,000	779,000	
Inventory Reserve	-	90,000	
Capitalized Interest	-	328,000	
Bad Debt Reserve Shortfall	(9,090,000)	(3,546,000)	
	(6,423,000)	(4,336,000)	
		94,000	2,047,000

AHERF RESERVE DETAIL

FY 97

Page 2

AUH, Centennial

GH:

Excess Bad Debt Reserve	-	3,020,000	1,020,000
NIH Grant Reserve	-	500,000	
Inventory Reserve	-	470,000	
Prudent Buyer Reserve	-	5,500,000	2,500,000
Hill-Burton Reserve	-	1,500,000	
Malpractice Reserve	-	1,141,000	
PFMA Reserve	-	7,050,000	5,550,000
Pension Reserve	-	1,100,000	
Workers' Compensation Reserve	-	1,300,000	
Greater Atlantic Deferred Revenue	-	4,000,000	
General A/P Reserve	-	2,675,000	1,475,000
	-	28,256,000	16,515,000

MSH

Shutdown Reserve	-	2,953,000	
General A/P Reserve	-	555,000	
Malpractice Reserve	-	686,000	
Pension Reserve	-	200,000	
Greater Atlantic Deferred Revenue	-	824,000	
	-	5,218,000	3,500,000

PH

PFMA Contract	-	7,050,000	5,250,000
General Reserve	-	482,000	
Malpractice Reserve	-	911,000	
Pension Reserve	-	300,000	
	-	8,743,000	5,532,000

CA

Excess Bad Debt Reserve	-	332,000	
General Reserve	-	798,000	
Malpractice Reserve	-	1,416,000	
Pension Reserve	-	400,000	
	-	2,946,000	1,130,000
Total	-	45,262,000	45,362,000

AUH, New Jersey

RH

Shutdown Reserve	-	1,000,000	
General A/P Reserve	-	3,150,000	1,450,000
Malpractice Reserve	-	628,000	
Pension Reserve	-	900,000	
Excess Charge Differential Reserve	-	623,000	123,000
	-	6,301,000	6,301,000

AIHGAUHS

Excess Accumulated Depreciation	3,500,000	3,500,000	
Harriet Restricted Monies	1,500,000	1,000,000	
Capitalized Interest	-	750,000	
General Reserve	-	547,000	
	5,000,000	5,297,000	707,000

ASRIAHERF QPS

Unrecorded Ins. Expense - Elkins Park	(382,000)		
Temporarily Restricted Funds	52,788,000	25,079,000	
	52,406,000	25,099,000	(27,327,000)
AHERF Consolidated	\$43,770,000	\$88,609,000	\$44,839,000

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AHERF RESERVE DETAIL FY 97

	Balance @ 6/30/96	Balance @ 3/31/97	Change
AGH			
Excess Bad Debt Reserve	\$900,000	\$900,000	
Excess Charge Differential	2,275,000	2,275,000	
Prior Year CRAs	1,000,000	893,000	
General Reserve in CRAs	7,110,000	4,385,000	
	11,285,000	8,453,000	(2,832,000)
AUMC			
FH:			
Prior Year CRAs	-	5,900,000	
General Reserve	-	10,400,000	
	-	16,300,000	
AVH:			
Prior Year CRAs	-	1,500,000	
General Reserve	-	855,000	
	-	2,355,000	
Total	-	18,655,000	18,655,000
AUH			
MCPH:			
Health Partners Unrecorded Equity	84,000	(767,000)	
Health Partners Operating Losses	(2,900,000)	(425,000)	
Excess Accumulated Depreciation	345,000	2,900,000	
General Reserve	-	357,000	
Capitalized Interest	-	1,191,000	
Bad Debt Reserve Shortfall	(9,410,000)	(6,091,000)	
	(6,081,000)	(2,835,000)	
EPH:			
Health Partners Operating Profits	-	158,000	
Excess Accumulated Depreciation	50,000	50,000	
Capitalized Interest	-	24,000	
Bad Debt Reserve Shortfall	(5,983,000)	(2,793,000)	
	(5,933,000)	(2,561,000)	
BCH:			
Health Partners Operating Profits	-	162,000	
General Reserve	-	413,000	
Capitalized Interest	-	59,000	
Bad Debt Reserve Shortfall	(4,461,000)	(1,547,000)	
	(4,461,000)	(913,000)	
HH:			
Excess Inventory Reserve	587,000	635,000	
Health Partners Operating Losses	-	(640,000)	
Excess Accumulated Depreciation	1,100,000	1,100,000	
Hahn Ins. Co. Unrecorded Deficit	(1,100,000)	-	
Write Off of Feinstein Bldg	-	(1,371,000)	
Write Off of SHSH Bldg.	(1,310,000)	(1,221,000)	
Capitalized Interest	-	1,355,000	
Bad Debt Reserve Shortfall	-	(11,106,000)	
	(723,000)	(11,248,000)	
MSS:			
General Reserve	-	335,000	
Capitalized Interest	-	459,000	
Excess Accumulated Depreciation	100,000	100,000	
Unrecorded Centre Square Lease	(1,400,000)	-	
	(1,300,000)	894,000	
Total	(18,498,000)	(16,663,000)	1,835,000
SCHC			
Temple OR Reserve	450,000	-	
Health Partners Unrecorded Equity (Deficit)	17,000	(660,000)	
Health Partners Operating Losses	-	(1,367,000)	
General Reserve	2,200,000	779,000	
Inventory Reserve	-	90,000	
Capitalized Interest	-	28,000	
Bad Debt Reserve Shortfall	(9,090,000)	(3,546,000)	
	(6,423,000)	(4,376,000)	2,047,000

Dan,
 I'm hesitant to take
 Forbes / AV Closures because
 we have to meet to May Ex.
 The pencil H's are
 my suggestions which
 to end H's. 3ms needed
 to 25.1 or would
 you rather just
 put to the bullet &
 take 10m or 3
 Graduate Review

AHERF RESERVE DETAIL

FY 97

Page 2

AUH Centennial**GH:**

Excess Bad Debt Reserve	-	3,020,000	2 mil ✓
NIH Grant Reserve	-	500,000	
Inventory Reserve	-	470,000	
Prudent Buyer Reserve	-	5,500,000	3 mil ✓
Hill-Burton Reserve	-	1,500,000	
Malpractice Reserve	-	1,141,000	
PFMA Reserve	-	7,050,000	2 mil ✓
Pension Reserve	-	1,100,000	✓
Workers' Compensation Reserve	-	1,300,000	✓
Greater Atlantic Deferred Revenue	-	4,000,000	
General A/P Reserve	-	2,675,000	<1,200 ✓
	-	28,256,000	

MSH:

Shutdown Reserve	-	2,953,000	
General A/P Reserve	-	555,000	✓
Malpractice Reserve	-	686,000	✓
Pension Reserve	-	200,000	✓
Greater Atlantic Deferred Revenue	-	824,000	✓
	-	5,218,000	

PH:

PFMA Contract	-	7,050,000	2 mil ✓
General Reserve	-	482,000	✓
Malpractice Reserve	-	911,000	✓
Pension Reserve	-	500,000	✓
	-	8,943,000	

CA:

Excess Bad Debt Reserve	-	332,000	
General Reserve	-	798,000	✓
Malpractice Reserve	-	1,416,000	✓
Pension Reserve	-	400,000	✓
	-	2,946,000	

Total

45,363,000 45,363,000

AUH New Jersey**RH:**

Shutdown Reserve	-	1,000,000	1.7 mil ✓
General A/P Reserve	-	3,150,000	✓
Malpractice Reserve	-	628,000	✓
Pension Reserve	-	900,000	✓
Excess Charge Differential Reserve	-	623,000	✓
	-	6,301,000	6,301,000

AIHG**AUHS**

Excess Accumulated Depreciation	1,500,000	3,500,000	
Harnot Restricted Monies	1,500,000	1,000,000	
Capitalized Interest	-	750,000	✓
General Reserve	-	547,000	
	5,000,000	5,797,000	797,000

ASRI**AHERF OPS**

Unrecorded Ins. Expense - Elkins Park	(382,000)		
Temporarily Restricted Funds	52,788,000	25,009,000	
	52,406,000	25,009,000	(27,327,000)
AHERF Consolidated	\$43,770,000	\$88,609,000	\$44,839,000

a:\M123\aherf\mch7rev08.xls

EV = 19,238

EXHIBIT 1101

FAX TRANSMITTAL

Allegheny Health, Education and Research Foundation

D.L. Clark Building
503 Martindale Street, 5th floor
Pittsburgh, Pennsylvania 15212
FAX: 412/442-7431

To: S. ABDELHAK Date: _____

Company/Firm: _____

Department: _____

Fax Number: _____ Telephone Number: _____

From: AL ADAMIZAK Telephone Number: _____

Department: _____

Comments: ATTACHED ARE 3 ANALYSIS GIVEN TO HARRY THIS MORNING (10AM)

1) 2mos FY 98 Actual vs 2mos FY 97 Actual

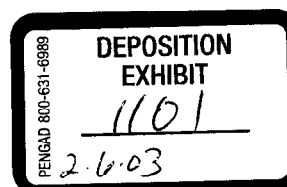
2) 1/P REVENUE PER ADMISSION

3) 2mos Actual O/P REV COMPARED TO 2mos Avg For
4th Qtr FY 97

Pages Transmitted (including coversheet): 16

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If this transmission was incomplete, please notify Beth at 412/442-7490.



DBR-AA
8757

MCPH
INCOME STATEMENT TREND
(\$000'S)

\$ (1.3) OIP
(6.1) EXPENSES
4 (7.4) total

	FY 97		FY 98		Increase/ (Decrease)
	July	August	July	August	
Reported Revenues:					
Patient Services:					
Inpatient	\$12,437	\$13,966	\$13,050	\$13,278	\$26,328
Outpatient	2,943	3,025	2,366	2,204	4,570
Physician Services	231	157	111	537	648
Investment	15,611	17,148	15,527	16,019	31,546
Other	-	146	37	29	66
	645	703	622	595	1,217
Reported Revenue					(1,213)
Use of Cushions/Out of Period Writeoffs	16,256	17,997	16,186	16,643	(1,424)
Actual Revenues	\$16,256	\$17,997	\$16,316	\$16,643	130
					(\$1,294)

Reported Expenses:					
Salaries and Fringes	\$8,749	\$8,811	\$9,284	\$9,514	\$1,238
Materials, Supplies and Services	6,244	7,178	9,263	8,903	4,744
Depreciation and Amortization	947	947	1,047	733	(114)
Interest	295	306	416	438	253
Reported Expenses					6,121
Use of Cushions/Out of Period Writeoffs	16,235	17,242	20,010	19,588	39,598
Actual Expenses	\$16,235	\$17,242	\$20,010	\$19,588	\$6,121

Reported Net Income/(Loss)					
Use of Cushions/Out of Period Writeoffs	\$21	\$755	(\$3,824)	(\$2,945)	(\$7,545)
Actual Net Income/(Loss)	\$21	\$755	(\$3,694)	(\$2,945)	130
					(\$7,415)

Admissions	1,244	1,301	1,322	1,238	15
Days	7,866	8,155	8,005	8,066	50

Inpatient Revenue per:					
Admissions	9,998	10,735	9,871	10,725	(90)
Days	1,581	1,713	1,630	1,646	(10)

Volume unchanged yet expenses up 46.1

ELKINS PARK
INCOME STATEMENT TREND
(\$000'S)

	FY 97			FY 98			Increase/ (Decrease)
	July	August	2 Month Total	July	August	2 Month Total	
Reported Revenues:							
Patient Services:							
Inpatient	\$3,101	\$2,701	\$5,802	\$2,400	\$2,402	\$4,802	(\$1,000)
Outpatient	1,722	2,284	4,006	1,620	880	2,500	(1,506)
Physician Services	8	19	27	15	9	24	(3)
Investment	4,831	5,004	9,835	4,035	3,291	7,326	(2,509)
Other	-	1	1	3	3	6	5
	77	67	144	88	85	173	29
Reported Revenue	4,908	5,072	9,980	4,126	3,379	7,505	(2,475)
Use of Cushions/Out of Period Writeoffs	-	-	-	400	500	900	900
Actual Revenues	\$4,908	\$5,072	\$9,980	\$4,526	\$3,879	\$8,405	(\$1,575)

Reported Expenses:							
Salaries and Fringes	\$2,236	\$2,309	\$4,545	\$2,231	\$2,211	\$4,442	(\$103)
Materials, Supplies and Services	1,759	2,077	3,836	2,281	1,767	4,048	212
Depreciation and Amortization	266	266	532	363	357	720	188
Interest	367	402	769	432	487	919	150
Reported Expenses	4,628	5,054	9,682	5,307	4,822	10,129	447
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-	-	-
Actual Expenses	\$4,628	\$5,054	\$9,682	\$5,307	\$4,822	\$10,129	\$447

Reported Net Income/(Loss)	\$280	\$18	\$298	(\$1,181)	(\$1,443)	(\$2,624)	(\$2,922)
Use of Cushions/Out of Period Writeoffs	-	-	-	400	500	900	900
Actual Net Income/(Loss)	\$280	\$18	\$298	(\$781)	(\$943)	(\$1,724)	(\$2,022)

Admissions Days	722	723	1,445	719	629	1,348	(97)
	3,697	3,677	7,374	3,403	3,162	6,565	(809)
Inpatient Revenue per:							
Admissions	4,295	3,736	4,015	3,338	3,819	3,562	(453)
Days	839	735	787	705	760	731	(55)

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↑ (.6) increase
 (.4) up volume
 (.6) up other than out
 of 1000 w/offsets
 (.4) expense
 4(2) added

1348
 (453)
 8611000

Volume ↓ 7010 up 4 phrases up 3.4

BUCKS COUNTY
INCOME STATEMENT TREND
(\$000'S)

	FY 97		FY 98		Increase/ (Decrease)
	July	2 Month August Total	July	2 Month August Total	
Reported Revenues:					
Patient Services:					
Inpatient	\$2,792	\$2,160	\$2,253	\$1,840	(\$859)
Outpatient	1,668	1,954	1,372	778	(1,472)
Physician Services	-	1	-	32	31
Investment	4,460	4,115	3,625	2,650	(2,300)
Other	71	72	95	85	2
				180	37
Reported Revenue	4,531	4,187	3,721	2,736	(2,261)
Use of Cushions/Out of Period Writeoffs	-	-	740	1,200	1,940
Actual Revenues	\$4,531	\$4,187	\$4,461	\$3,936	(\$321)

Reported Expenses:

Salaries and Fringes	\$1,887	\$1,845	\$1,855	\$1,935	\$58
Materials, Supplies and Services	1,522	1,923	2,340	1,799	694
Depreciation and Amortization	274	274	372	206	30
Interest	132	143	165	175	65
Reported Expenses	3,815	4,185	4,732	4,115	847
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-
Actual Expenses	\$3,815	\$4,185	\$4,732	\$4,115	\$847

Reported Net Income/(Loss)
Use of Cushions/Out of Period Writeoffs

Admissions
Days

Inpatient Revenue per:

Admissions
Days

DBR-AA
8761

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(.8) Expense
9(1.2) total

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Days ↓ 100% yet 4 phases up .8

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HAHNEMANN
INCOME STATEMENT TREND
(\$000'S)

	FY 97		2 Month	FY 98		Increase/ (Decrease)
	July	August	Total	July	August	
Reported Revenues:						
Patient Services:						
Inpatient	\$24,243	\$19,573	\$43,816	\$19,642	\$17,541	\$37,183
Outpatient	4,474	4,228	8,702	3,939	3,140	7,079
Physician Services	-	-	-	-	39	39
Investment	28,717	23,801	52,518	23,581	20,720	44,301
Other	68	91	159	46	37	83
	1,040	900	1,940	693	778	1,471
Reported Revenue	29,825	24,792	54,617	24,320	21,535	45,855
Use of Cushions/Out of Period Writeoffs						
Actual Revenues	\$29,825	\$24,792	\$54,617	\$24,320	\$22,035	\$46,355

Reported Expenses:						
Salaries and Fringes	\$13,430	\$13,884	\$27,314	\$12,640	\$12,385	\$25,025
Materials, Supplies and Services	10,564	11,230	21,794	12,362	11,879	24,241
Depreciation and Amortization	1,567	1,567	3,134	1,664	1,720	3,384
Interest	869	903	1,772	799	836	1,635
Reported Expenses	26,430	27,584	54,014	27,465	26,820	54,285
Use of Cushions/Out of Period Writeoffs						
Actual Expenses	\$26,430	\$27,584	\$54,014	\$27,465	\$26,820	\$54,285

Reported Net Income/(Loss)	\$3,395	(\$2,792)	\$603	(\$3,145)	(\$5,285)	(\$8,430)
Use of Cushions/Out of Period Writeoffs						
Actual Net Income/(Loss)	\$3,395	(\$2,792)	\$603	(\$3,145)	(\$4,785)	(\$7,930)

Admissions	1,958	1,787	3,745	1,478	1,359	2,837
Days	11,883	11,234	23,117	9,931	9,413	19,344
Inpatient Revenue per:						
Admissions	12,382	10,953	11,700	13,290	12,907	13,106
Days	2,040	1,742	1,895	1,978	1,863	1,922

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9 (12.0) 11p volum
5.0 11p rate
(.9) 9p one trans only
Shred w/office
(13) Expenses
5 (8.2) 11p rate

(908)
1300 rate
11804.000

Expends unchanged yet
Volume ↓ 24010

**MANAGEMENT SERVICES
INCOME STATEMENT TREND
(\$000'S)**

	FY 97			FY 98			
	July	August	2 Month Total	July	August	2 Month Total	Increase/ (Decrease)
Reported Revenues:							
Patient Services:							
Inpatient	-	-	-	-	-	-	-
Outpatient	-	-	-	-	\$1,324	\$1,324	\$1,324
Physician Services	-	-	-	-	-	-	-
Investment	-	-	-	-	1,324	1,324	1,324
Other	\$356	\$605	\$961	\$375	395	770	(191)
Reported Revenue	356	605	961	375	1,719	2,094	1,133
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-	-	-
Actual Revenues	<u>\$356</u>	<u>\$605</u>	<u>\$961</u>	<u>\$375</u>	<u>\$1,719</u>	<u>\$2,094</u>	<u>\$1,133</u>
Reported Expenses:							
Salaries and Fringes	\$1,203	\$1,195	\$2,398	\$1,989	\$2,014	\$4,003	\$1,605
Materials, Supplies and Services	(1,373)	(1,116)	(2,489)	(2,016)	(222)	(2,238)	251
Depreciation and Amortization	526	526	1,052	526	133	659	(393)
Interest	-	-	-	(124)	(206)	(330)	(330)
Reported Expenses	356	605	961	375	1,719	2,094	1,133
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-	-	-
Actual Expenses	<u>\$356</u>	<u>\$605</u>	<u>\$961</u>	<u>\$375</u>	<u>\$1,719</u>	<u>\$2,094</u>	<u>\$1,133</u>
Reported Net Income/(Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-	-	-
Actual Net Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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8763

ST. CHRISTOPHER'S
INCOME STATEMENT TREND
 (\$000'S)

	FY 97		FY 98		Increase (Decrease)
	July	2 Month August Total	July	August Total	
Reported Revenues:					
Patient Services:					
Inpatient	\$7,866	\$7,652	\$7,421	\$7,172	(\$925)
Outpatient	2,848	2,960	3,415	1,860	(533)
Physician Services	66	66	66	66	-
Investment	10,780	10,678	10,902	9,098	(1,458)
Other	200	119	277	137	95
	587	760	546	540	(261)
Reported Revenue	11,567	11,557	11,725	9,775	(1,624)
Use of Cushions/Out of Period Writeoffs	-	-	-	500	500
Actual Revenues	\$11,567	\$11,557	\$11,725	\$10,275	(\$1,124)

Reported Expenses:					
Salaries and Fringes	\$5,513	\$5,560	\$5,622	\$5,610	\$159
Materials, Supplies and Services	4,947	4,678	5,538	4,507	420
Depreciation and Amortization	652	652	756	840	292
Interest	227	236	255	279	71
Reported Expenses	11,339	11,126	12,171	11,236	942
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-
Actual Expenses	\$11,339	\$11,126	\$12,171	\$11,236	\$942

Reported Net Income/(Loss)	\$528	\$431	(\$446)	(\$1,461)	(\$2,866)
Use of Cushions/Out of Period Writeoffs	-	-	-	500	500
Actual Net Income/(Loss)	\$528	\$431	(\$446)	(\$961)	(\$2,366)

Admissions Days	813	831	792	849	(3)
	3,656	3,613	3,560	3,756	47
Inpatient Revenue per:					
Admissions	9,675	9,208	9,370	8,448	(546)
Days	2,152	2,118	2,085	1,909	(140)

4 (.9) rate
 (.2) 0 the revenue
 (.9) EXPENSES
 \$ (2.0) total

1641
 (546)
 (845.986)

EXPENSE ↑ 1.0 yr volume
 unchanged

AUHS
INCOME STATEMENT TREND
(\$000'S)

	FY 97		FY 98		Increase/ (Decrease)
	July*	August*	July	August	
Reported Revenues:					
Patient Services:					
Inpatient	-	-	-	-	-
Outpatient	-	-	-	-	-
Physician Services	\$11,468	\$12,376	\$14,301	\$17,495	\$7,952
Investment	11,468	12,376	14,301	17,495	7,952
Other	(6)	533	452	216	141
	13,575	13,967	19,959	25,170	17,587
Reported Revenue	25,037	26,876	34,712	42,881	25,680
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-
Actual Revenues	\$25,037	\$26,876	\$34,712	\$42,881	\$25,680
Reported Expenses:					
Salaries and Fringes	\$18,289	\$18,482	\$27,228	\$26,705	\$17,162
Materials, Supplies and Services	8,514	9,879	12,154	16,808	10,569
Depreciation and Amortization	566	566	765	1,041	674
Interest	186	188	562	648	836
Reported Expenses	27,555	29,115	40,709	45,202	29,241
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-
Actual Expenses	\$27,555	\$29,115	\$40,709	\$45,202	\$29,241
Reported Net Income/(Loss)	(\$2,518)	(\$2,239)	(\$5,997)	(\$2,321)	(\$3,561)
Use of Cushions/Out of Period Writeoffs	-	-	-	-	-
Actual Net Income/(Loss)	(\$2,518)	(\$2,239)	(\$5,997)	(\$2,321)	(\$3,561)

* Does not include ASRI which became part of AUHS effective January 1, 1997

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MCP

I/P Net Revenue per Admission		I/P Gross Revenue per Admission		I/P Net Revenue Per Day		I/P Gross Revenue per Day	
FY98 Average	\$10,284	FY98 Average	\$33,586	FY98 Average	\$1,638	FY98 Average	\$5,350
August	10,725	August	34,762	August	1,646	August	5,335
July	9,871	July	32,484	July	1,630	July	5,365
FY97 Average	10,764 G	FY97 Average	30,571	FY97 Average	1,610 G	FY97 Average	4,571
June	9,534 E	June	30,295 F	June	1,536 E	June	4,881 F
May	10,442	May	30,789	May	1,562	May	4,605
April	10,970	April	32,400	April	1,613	April	4,763
March	10,102 D	March	30,646	March	1,544 D	March	4,683
February	10,972 C	February	30,245	February	1,666 C	February	4,593
January	10,977	January	32,429	January	1,558	January	4,604
December	12,344 B	December	32,649	December	1,746 B	December	4,618
November	11,515	November	31,394	November	1,635	November	4,458
October	10,696	October	29,293	October	1,592	October	4,357
September	10,905 A	September	30,047	September	1,578 A	September	4,358
August	10,735	August	27,000	August	1,716	August	4,307
July	9,998	July	29,319	July	1,581	July	4,637

- A excludes \$1,113 reserve adjustment
 B excludes \$500 CRA adjustment
 C excludes \$1m MC 94 CRA adjustment
 D excludes \$1m MC 93 & 92 CRA adjustment
 E excludes \$3m general reserve adjustment
 F CDM changes were implemented June 1, 1997
 G excludes \$6,613 YTD adjustments

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8766

Elkins Park

I/P Net Revenue per Admission		I/P Gross Revenue per Admission		I/P Net Revenue Per Day		I/P Gross Revenue per Day	
FY98 Average	\$3,562	FY98 Average	\$14,037	FY98 Average	\$731	FY98 Average	\$2,882
August	3,819	August	14,458	August	760	August	2,876
July	3,338	July	13,669	July	705	July	2,888
FY97 Average	3,909 G	FY97 Average	13,289	FY97 Average	774 G	FY97 Average	2,631
June	2,357 E	June	12,840 F	June	500 C	June	2,725 F
May	3,206 D	May	13,816	May	640 D	May	2,761
April	4,541	April	13,547	April	882	April	2,630
March	3,785 C	March	14,361	March	698 C	March	2,649
February	4,094 B	February	13,683	February	801 B	February	2,677
January	4,776	January	13,702	January	900	January	2,583
December	4,642	December	13,739	December	882	December	2,615
November	4,345	November	13,408	November	851	November	2,627
October	3,594	October	12,267	October	792	October	2,704
September	3,401 A	September	12,121	September	717 A	September	2,542
August	3,736	August	13,243	August	730	August	2,591
July	4,295	July	12,666	July	839	July	2,474

A excludes \$311 reserve adjustment

B excludes \$469 CRA adjustment

C excludes \$500 MC CRA adjustments

D excludes \$1m recognition of reserves from Graduate

E excludes \$1m general reserve adjustment

F CDM changes were implemented June 1, 1997

G excludes \$3,280 YTD reserve adjustments

Bucks County

I/P Net Revenue per Admission		I/P Gross Revenue per Admission		I/P Net Revenue Per Day		I/P Gross Revenue per Day	
FY98 Average	\$3,609	FY98 Average	\$13,407	FY98 Average	\$746	FY98 Average	\$2,772
August	3,303	August	13,325	August	658	August	2,653
July	3,905	July	13,487	July	838	July	2,896
FY97 Average	4,274 D	FY97 Average	14,529	FY97 Average	775 D	FY97 Average	2,635
June	3,051 B	June	15,784 C	June	573 B	June	2,966 C
May	4,674	May	13,909	May	875	May	2,603
April	4,381	April	13,908	April	838	April	2,662
March	4,024	March	13,724	March	759	March	2,589
February	4,185	February	14,649	February	719	February	2,517
January	4,386	January	14,824	January	755	January	2,552
December	4,444 A	December	16,887	December	722 A	December	2,744
November	4,474	November	14,164	November	815	November	2,579
October	4,513	October	15,028	October	803	October	2,674
September	3,993	September	13,330	September	788	September	2,630
August	4,122	August	14,557	August	759	August	2,681
July	4,847	July	13,967	July	861	July	2,481

A excludes \$250 CRA adjustment

B excludes \$1m general reserve adjustment

C CDM changes were implemented June 1, 1997

D excludes \$1,250 YTD adjustments

Hahnemann

I/P Net Revenue per Admission		I/P Gross Revenue per Admission		I/P Net Revenue Per Day		I/P Gross Revenue per Day	
FY98 Average	\$13,079	FY98 Average	\$45,966	FY98 Average	\$1,921	FY98 Average	\$6,750
August	12,907	August	46,546 M	August	1,860	August	6,713 M
July	13,290	July	45,588 L	July	1,978	July	6,785 L
FY97 Average	12,165 G	FY97 Average	37,531	FY97 Average	1,907 G	FY97 Average	5,883
June	12,072 F	June	36,876	June	1,741 F	June	5,319
May	13,583 E	May	43,747	May	1,939 E	May	6,243
April	12,382 D	April	34,519 K	April	2,033 D	April	5,668 K
March	11,583 C	March	38,518	March	1,799 C	March	5,979
February	12,969	February	35,236	February	2,084	February	5,663
January	13,045	January	34,627 J	January	2,169	January	5,755 J
December	12,097 B	December	42,051	December	1,822 B	December	6,329
November	12,423	November	50,102 I	November	1,890	November	7,622 I
October	11,434	October	37,366	October	1,800	October	5,882
September	11,139 A	September	37,339 H	September	1,786 A	September	5,995 H
August	10,953	August	34,635	August	1,742	August	5,507
July	12,382	July	33,074	July	2,040	July	5,449

- A excludes \$5,729 reserve adjustments
B excludes \$1,964 CRA adjustment
C excludes \$4.1 million of MC '90 CRA adjustments
D excludes \$500 MA CRA adjustments and \$250 HIP NJ capitation payments
E excludes \$5m recognition of reserves from Graduate
F excludes \$10m general reserve adjustment
G excludes \$27,283 YTD reserve adjustments
H includes \$1.6 million of transplant late charges
I includes \$13.2 million of overstated Pharmacy charges
J includes \$3.7 million reversal of overstated Pharmacy charges
K includes 777 of overstated Pharmacy charge reversals
L includes approximately \$4 million of corrections to Radiology gross charges
M includes approximately \$1.8 million of FY97 corrections to gross charges

SCHC

I/P Net Revenue per Admission		I/P Gross Revenue per Admission		I/P Net Revenue Per Day		I/P Gross Revenue per Day	
FY98 Average	\$8,893	FY98 Average	\$24,787	FY98 Average	\$1,995	FY98 Average	\$5,560
August	8,448	August	24,676	August	1,909	August	5,578
July	9,370	July	24,905	July	2,085	July	5,541
FY97 Average	8,414 G	FY97 Average	21,536	FY97 Average	1,942 G	FY97 Average	4,970
June	8,427 F	June	22,665 E	June	1,879 F	June	5,053 E
May	8,677 D	May	24,188	May	1,828 D	May	5,095
April	9,052	April	23,352	April	2,036	April	5,254
March	8,448 C	March	23,223	March	1,768 C	March	4,860
February	8,289	February	20,512	February	1,965	February	4,863
January	8,867	January	21,121	January	2,081	January	4,956
December	7,727 B	December	19,001	December	1,900 B	December	4,671
November	7,925	November	18,886	November	2,047	November	4,877
October	6,543	October	19,636	October	1,566	October	4,699
September	8,358 A	September	20,391	September	2,044 A	September	4,988
August	9,208	August	23,052	August	2,118	August	5,302
July	9,675	July	22,718	July	2,152	July	5,052

A excludes \$1,597 reserve adjustment

B excludes \$1.5m MA '94 CRA

C excludes \$750 MA '92 CRA

D excludes \$1m recognition of reserves from Graduate

E CDM changes were implemented June 1, 1997

F excludes \$1,159 general reserve adjustment

G excludes \$6,006 YTD reserve adjustments

AHERF*Allegheny Health, Education
and Research Foundation*D.L. Clark Building, 4th Floor
Pittsburgh, Pennsylvania 15212**MEMORANDUM**

DATE: September 23, 1997

TO: David McConnell
Executive Vice President & CFO, AHERF

FROM: Al Adamczak *Al Adamczak*
Vice President, Corporate Support Services

SUBJECT: DVOG O/P Revenue

Relative to your request, the following is provided relative to DVOG Outpatient Revenue (\$000s):

	FY97 FY97 4th Qtr. Reported Actual	FY97 Outpatient Cushions Used in 4th Qtr.	FY97 Adjusted 4th Qtr.	FY97 Adjusted 2 Month Average	FY98 2 Month Reported Actual	FY98 2 Month Keystone Adjustments	FY98 2 Month USHC Adjustments	Adjusted FY98 Adjusted Actual	Adjusted FY98 Increase/Decrease from Adjusted FY97
MCP	\$ 8,995	\$ (2,000)	\$ 6,995	\$ 4,663	\$ 4,570	\$ -	\$ 130	\$ 4,700	\$ 37
EP	7,295	(2,000)	5,295	3,530	2,500	500	400	3,400	(130)
BC	5,844	(300)	5,544	3,696	2,150	1,200	740	4,090	394
HH	13,028	-	13,028	8,705	7,079	500	-	7,579	(1,126)
MSS	-	-	-	-	1,324	-	-	1,324	1,324
Total AUH	35,162	(4,300)	30,862	20,594	17,623	2,200	1,270	21,093	499
SCHC	8,278	-	8,278	5,518	5,275	-	-	5,275	(243)
Total DVOG	\$ 43,440	\$ (4,300)	\$ 39,140	\$ 26,112	\$ 22,898	\$ 2,200	\$ 1,270	\$ 26,368	\$ 256

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8771

MEMO RE: DVOG O/P Revenue
September 23, 1997
Page 2

Based on the preceding analysis, the following is noted:

- Keystone/USHC adjustments relate to charges recorded prior to FY98 and were identified by Patient Financial Services. Although not identified, there probably are Keystone adjustments for MCP and USHC adjustments for SCHC.
- FY98 outpatient revenue for the 2 month period (adjusted to exclude the Keystone/USHC adjustments) approximates activity for the 4th quarter of FY97 (adjusted to exclude cushion used to prop up revenue) except for Hahnemann. Part of the Hahnemann variance is offset by homecare moved to management services in FY98.

Should you have any questions or comments relative to the preceding, or wish to discuss it further, I would be happy to do so at your convenience. Thank you.

AA/kw
s:\kw\aa\dvogop.rev

cc: Donald Kaye, MD
Chuck Morrison
Dan Cancelmi

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EXHIBIT 1122

Delaware Valley Year-End Adjustments

	East Falls	Center City	Elkins Park	Bucks County	MS	Allegheny University Hospitals Total	St. Christopher's	Horizon	Consol. St. Christopher's	Allegheny University	Delaware Valley Total
Preliminary net income/(loss) before extra. loss	\$3,955	(\$2,400)	(\$85)	\$1,949	(4,554) (\$6,054)	(1,135) (\$2,655)	\$12,629	(\$462)	\$12,167	(\$2,198)	\$7,334
Adjustments:											
Health Partners unrecorded equity	2,700	-	-	-	-	2,700	950	-	950	-	3,650
Reduce depreciation expense	1,000	-	700	-	500	2,200	800	-	800	-	3,000
Reverse general accruals	650	650	700	-	600	2,600	1,200	-	1,200	-	3,800
Transfer of University general account	-	-	1,000	-	500	1,500	-	-	-	-	1,500
Transfer of Bucks general account	-	-	700	-	-	700	-	-	-	-	700
Reverse excess bad debt reserve	-	-	600	-	-	600	-	-	-	-	600
CRA adjustment	-	7,400	-	-	-	7,400	-	-	-	-	7,400
Excess cash clearing credits	-	-	-	-	-	-	900	-	900	-	900
Revenue reserve from the University	-	500	-	-	-	500	-	-	-	-	500
Inventory adjustment	-	500	-	-	-	500	-	-	-	-	500
MS allocation	(2,600)	-	-	-	3,500	1,900	(1,400)	-	(1,400)	(500)	-
Record Health Partners deficit - Randy I.	(500)	(150)	(1,000)	-	3,500	1,900	-	-	-	-	(650)
PIP adjustment	-	-	-	-	-	(650)	-	-	-	-	(650)
Adjustments Total	1,250	8,900	3,200	650	6,100	19,900	2,450	-	2,450	(500)	21,850
Adjusted net income/(loss) before extra. loss	\$5,205	\$6,500	\$3,655	\$1,899	\$46	\$17,265	\$15,079	(\$462)	\$14,617	(\$2,698)	\$29,784
	\$4,974	\$6,489	\$3,322	\$1,941	-	\$16,726	\$15,166	(\$437)	\$14,729	(\$2,807)	\$28,705
	\$231	\$11	\$1,457	\$658	\$406	\$439	\$1,877	(\$112)	\$1,765	(\$592)	\$879

s/jodie/123/dvyeajj.wk3

hanso partners

→ Delaware

Change to School of Public Health

DEPOSITION
EXHIBIT
112-2
2-7-03
PENGAD 800-631-6989